

# INNOVATION FOR A NEW GENERATION

## A review of our activities and finances 2012

### PRESIDENT'S FOREWORD



Alan Crane CBE, FCIQB, President of CIOB



“Standing still is not an option. Innovation is essential if the built environment is to meet the challenges of the 21st Century”

**2012** was the year that the built environment sector innovated, impressed and inspired. Europe's two tallest towers, the Shard and Mercury City, were topped out in London and Moscow. Projects from the 2012 Games were celebrated not only for being delivered on time and on budget, but also for their safety record and sustainability performance.

THESE PROJECTS WERE DELIVERED by supply chains performing at the top of their game: collaborating, questioning and continually striving for improvement. Success breeds success: MACE, the construction manager for the Shard is already moving on to tackle the building of the world's next tallest tower, the Kingdom near Jeddah.

High profile projects have a crucial role to play in firing the imaginations of a new generation of recruits. If the built environment is to meet the challenges of the 21st century - climate change, population growth, scarcity of resources and rising sea levels - brilliant thinking is required.

Around the world, teenagers are developing sophisticated IT and project management skills through digital games in which they construct virtual buildings. We need to attract the brightest and the best, and to convince them that real construction is even more exciting than virtual, in our quest to develop smarter materials, intelligent buildings and efficient processes.

Building Information Modelling (BIM) is already transforming the performance of some building sites and cutting project costs by up to 20%. BIM can play a valuable role in every stage of the life cycle of a building. It will enhance the role of the construction manager.

But major contractors have yet to exploit BIM's full potential, and very few SMEs are engaging with it. As UK Government aims to use BIM on all public sector projects by 2016, there is a danger that a two tier industry could develop.

We set up a BIM group last year chaired by David Philp FCIQB, head of BIM implementation at the Cabinet Office.

The group is researching uptake of BIM, and will be feeding its findings back to the UK Government's BIM Task Group. It is also producing resources and training programmes which will be open to all. Our vision is to be as broad, expansive and inclusive as possible.

TIME MANAGEMENT IS A SKILL which is often overlooked in construction. CIOB research in 2008 found that 67% of complex projects were delivered late. Since then we have been developing standards in planning, scheduling and project control. And In November we launched our Project Time Management certificate.

Time management was not a problem for 2012 Construction Manager of the Year, Tim Hare, of Sir Robert McAlpine who completed the Quadrant 3 redevelopment in London four months ahead of schedule and without a single reportable accident.

Successes of this kind are only possible if the right working culture is established at the start of a project. An enlightened approach to procurement was a significant factor in keeping Olympic projects on track.

Our contributions to the UK's All Party Parliamentary Group for Excellence in the Built Environment's report on "A Better Deal for Public Building" last year, recommended the adoption of many of the Olympic Delivery Authority's procurement practices, including awarding projects on a balanced scorecard basis rather than lowest cost, and assembling integrated teams. If implemented, we could see a revolution in procurement that will deliver significantly better value for money in the public sector.

CIOB has been lobbying UK Government to take a consistent approach to sustainability. We asked DEFRA to include a Key Performance Indicator (KPI) on energy efficiency as part of its consultation on Environmental Reporting Guidance for Businesses. We campaigned that BREEAM standards were retained for education projects. We believe that the Green Deal should be part of a consistent Government-wide sustainability agenda, backed by building regulations.

DESPITE THE GLOBAL RECESSION, membership grew substantially in three regions last year. Membership in North America grew by 24%, and we opened an office in New York. In the Middle East members increased by 8%, with the Qatar centre growing particularly fast. In Hong Kong, our largest overseas branch, membership grew by 4%. An informal centre opened in Macau.

With 20% of membership based outside of the UK, we undertook major projects in 2012 to move our application, and assessment processes online. They can now be accessed at any time, from anywhere in the world.

# SETTING

Qualifications should reflect competence, not just knowledge. And they must keep pace with the constantly changing technology

**R**apidly evolving technology, an uncertain global economy and shrinking budgets continue to create challenges for construction managers and their employers.

Clients are increasingly demanding that suppliers demonstrate professional competence. Employers are hunting managers with the right skills. And employees need to be mobile, working anywhere in the world.

Organisations are increasingly taking a holistic approach to training, developing programmes that are appropriate for the needs of their diverse employees, from school leavers and graduates to mature workers. CIOB formed 25 new training partnerships with private companies last year and awarded chartered status to 81 companies and consultancies. Becoming chartered, either as an individual or an organisation, is a valuable asset in these tough economic times.

Throughout 2012 we worked closely with industry and academia to ensure that our qualifications are flexible, relevant and internationally recognised.

The Professional Review for MCI0B has undergone a fundamental change. Previously, all candidates were interviewed by a panel of peers. This was leading to problems. CIOB's definition of construction management is now very broad, encompassing all stages of a building process. Interviewers whose backgrounds did not match those of the candidates were finding it difficult to assess competence.

Under the new system, candidates apply online and are asked to demonstrate competence through their experiences. Rather than being asked what their teams do they must explain how

they contribute to their team. Each application is reviewed by CIOB experts who share the candidate's discipline. Only 25 per cent of applicants are referred for interview.

This new method is fairer, more consistent and quality assured. Because it is accessed online we expect the Professional Review to attract younger professionals and more candidates from overseas. Last year applications increased by 20%. The new PR applies to all regions except China, where CIOB is consulting with members.

Following these changes, MCI0B has taken on a higher international status. The National Recognition Information Centre (NARIC) recognises the MCI0B qualification to honours degree, and partially postgraduate level.

As well as enjoying NARIC recognition, members can apply for European Building Expert (EurBE) cards, launched last year by the Association of European Building Surveyors and Construction Experts (AEEBC). EurBE cards give construction professionals greater recognition, and more mobility, across the Europe.

## Keeping pace with academia

Last year we overhauled our education framework for undergraduate courses, making them more international and less prescriptive.

Institutions outside of the UK were complaining that the old framework was too focussed on British Standards. Universities in the UK were finding the requirements too restrictive.

The new framework is more flexible. Instead of specifying subject areas, it requires students to demonstrate skills under six broad themes. International standards and benchmarks replace the British ones.

Universities have responded positively to these changes, telling us that the framework fits with a wider range of courses. We accredited 50 new construction courses around the world last year, including institutions in Australia, Hong Kong, Ireland, Oman and Malaysia.

CIOB is increasing its engagement with universities by introducing a dedicated membership route for academics. Experienced academics had been put off from joining the institute because of the requirement to demonstrate industry experience, which for many was irrelevant. The new route, piloted last year, brings CIOB in line with other professional bodies.

Academic members are important, not only for the knowledge they can contribute to the



# CIOB

THE CHARTERED INSTITUTE OF BUILDING

# STANDARDS

CIOB community, but also because they act as ambassadors, helping us reach out to students. By engaging more proactively with young people, we aim to bring down the average age of a CIOB member, which is currently around 50.

## Transforming careers

Our goal is to enhance the career prospects of all members, and CIOB is the first professional membership body to work with online specialist Career Innovation Company (CI).

Last year we piloted an interactive web-based resource to help members map out a personalised career development strategy. Ci Zone, which is now available to all members, offers tools to help people understand their strengths and motivations, skill gaps and development opportunities. It can be tailored to all levels of the industry, from new entrants to board level directors.

Last year, 92 per cent of users said that they found the Ci Zone a useful in developing their career.

## Leading the green agenda

The built environment has a pivotal role to play in reducing carbon emissions, which are a major contributor to global warming.

In the European Union, the whole life cycle of houses and buildings accounts for 40% of total energy consumption.

We want to create a generation of green leaders who have the knowledge, experience and vision to introduce more sustainable practices around the world. Last year we added best practice examples and case studies to Carbon Action 2050, our online resource, receiving 13,500 web views.

Our licence to award the Chartered Environmentalist Qualification was renewed last year. The qualification demonstrates expertise and a commitment to high professional standards in the field of sustainability.

## Leading by example

CIOB is the first professional body to report to the Global Reporting Initiative (GRI), a framework used to measure environmental, social and economic performance. In our second year, we can already report an improvement. Direct energy consumption from HQ buildings in 2012 stood at 2198 Gigajoules, compared to 2236 Gigajoules in 2011. This is the equivalent to a 10,272 Kilowatt hour (KWh) reduction to 610,892 KWh.

Carbon emissions, calculated using Carbon Trust conversion factors, were 100.36kgCO<sub>2</sub>/m<sup>2</sup>/yr in 2012, a 5.74kgCO<sub>2</sub>/m<sup>2</sup>/yr reduction compared to 2011. Our water usage fell slightly to 1807 m<sup>3</sup>. The CIOB recycled 25.9 tonnes of waste in 2012, an increase of 1.15 tonnes from 2011.

This improvement came about in a time during which we employed an average of 135 staff, which breaks down as 122 in the UK and Ireland, 2 in Africa, 10 Asia-Pacific and 1 in the Middle East. Of those 135, 93 are full time and 42 are part time, with the majority (111) female.

In our drive to reduce carbon, we are changing the operation of some international centres. In Australia, our former Sydney office has been replaced by virtual offices run by employees based in Sydney, Perth and New Zealand. As well as freeing up resources, this helps us reach out to members at a more local level.

## Raising our profile

CIOB has been busy raising awareness of built environment sector with people of all ages. Our international Art of Building photography competition, now in its third year, attracted more than 3,000 entries from around the world. And in the UK we ran a design competition for schools pupils in partnership with the b-live foundation for the second year.

Last year we supported the first Open Doors Weekend in which 87 construction sites across England, Wales and Scotland opened up to the general public.

The weekend generated 102 newspaper articles and was covered by television and radio. Visitors included 17 MPs, as well as pupils from 32 schools. On the day, 87% of visitors said that they would consider a career in construction more favourably.

Our Novus groups are another way of reaching out to the younger generation. Novus members are young CIOB members who mentor newcomers to the industry. They also engage with schools and universities, promoting the built environment as a career choice. Last year Novus grew fast, adding eight new groups. NOVUS is now represented in all our UK and Ireland branches, and there is a thriving group in Hong Kong.

As well as helping us reach out externally, Novus members play a vital role within the CIOB. They sit on influential committees and are an important voice in our community. Novus members are informing our thinking and helping us meet the needs of the next generation of construction managers.

## OUR GOALS FOR 2013

**Employers:** We will increase our value to employers, through relevant qualifications that support business development

### Members and Prospective Members:

We will ensure CIOB is at the heart of a career in construction management

**Fitness to practice:** We will proactively prepare people for, and develop people in, careers in construction management

**Leadership:** We will advocate the global construction management discipline in the public interest

**Innovation:** We will put the web at the centre of the business in pursuit of e-learning and e-assessment

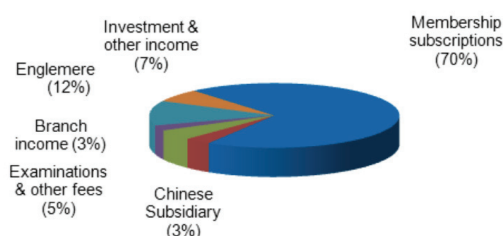
**Organisation development:** We will develop our organisation's people and processes to be fit for purpose

# 2012 ANNUAL REVIEW

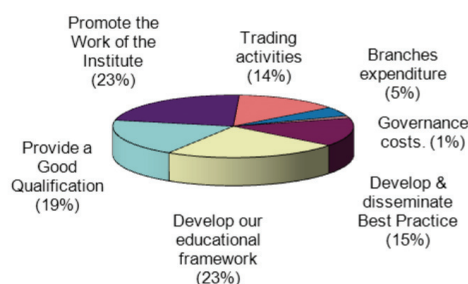
## SUMMARY OF ACCOUNTS

The Chartered Institute of Building  
Summarised Financial Statements as at 31 December 2012

### Incoming Resources £9.84m in 2012



### Resources Expended £8.61m in 2012



### Statement by the Board of Trustees to the members of the Chartered Institute of Building

The summarised financial statements have been prepared from the full financial statements of the Institute, on which the auditors expressed an unqualified opinion, and which were approved by the Trustees on 24 April 2013. The full annual report and financial statements will be filed with the Charity Commission in due course.

Alan Crane, President  
Chris Chivers, Trustee

### On behalf of the Trustees 24 April 2013

Independent Auditors' statement to the Trustees of The Chartered Institute of Building. We have examined the adjacent summarised financial statements for the year ended 31 December 2012.

Respective responsibilities of trustees and auditor The trustees are responsible for preparing the annual review in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summarised financial statements within the annual review with the full annual financial statements and the Trustees' Report.

We also read the other information contained in the annual review and consider the implications for our report if we become aware of any apparent misstatements of material inconsistencies with the summary financial statement.

Our report has been prepared pursuant to the requirements of the Charities Act 2011 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Charities Act 2011 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### Basis of opinion

We conducted our work in accordance with Bulletin 2008/3 'The auditors' statement on summary financial statement in the United Kingdom' issued by the Auditing Practices Board. Our report on the charity's full annual financial statements describes the basis of our opinion on those financial statements and on the Trustees' Report.

### Opinion

In our opinion the summarised financial statements are consistent with the full annual financial statements and the Trustees' Report of The Chartered Institute of Building for the year ended 31 December 2012.

BDO LLP, Statutory Auditor

Gatwick, West Sussex  
United Kingdom

Date: 24 April 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £'000	2011 £'000
<b>INCOMING RESOURCES</b>		
<i>Incoming Resources from Charitable Activities</i>		
Membership subscriptions	6,875	7,179
Examinations and other fees	506	554
Charitable Income from Chinese Subsidiary	336	
<i>Incoming Resources from generated funds</i>		
Trading Turnover: Englemere Ltd	1,217	1,130
Branch income from external sources	264	366
Investment & Other income	642	534
<b>Total Incoming Resources</b>	<b>9,840</b>	<b>9,763</b>
<b>RESOURCES EXPENDED</b>		
<i>Charitable Activities</i>		
Develop and disseminate best practice	(1,261)	(1,183)
Develop our educational framework, accredited Qualifications & CPD	(2,021)	(2,140)
Provide a good qualification for the industry	(1,654)	(2,011)
Promote the work of the Institute to an ever widening audience	(1,952)	(1,993)
<i>Cost of generating funds</i>		
Trading activities	(1,199)	(1,125)
Branch expenditure	(415)	(594)
Governance costs	(112)	(83)
<b>Total Resources Expended</b>	<b>(8,614)</b>	<b>(9,129)</b>
Taxation on profit of trading subsidiary		(2)
<b>Net incoming resources for the year</b>	<b>1,226</b>	<b>632</b>
<i>Other recognised gains and losses</i>		
Unrealised (loss)/gain on investment assets	84	(71)
Loss on revaluation of asset	(476)	
<b>Net movement in funds</b>	<b>834</b>	<b>561</b>

### CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2012

	2012 £'000	2011 £'000
<b>Fixed Assets</b>		
Tangible fixed assets	5,388	5,905
Other investments	1,205	1,062
	6,593	6,967
<b>Current Assets</b>		
Stocks	72	84
Debtors	593	671
Cash at bank and in hand	3,041	2,833
	3,706	3,588
<b>Current Liabilities</b>		
Creditors: amounts falling due within one year	2,170	3,260
<b>Net Current Assets</b>	<b>1,536</b>	<b>328</b>
<b>Net Assets</b>	<b>8,129</b>	<b>7,295</b>
<b>Funds</b>		
General fund	2,744	1,394
Designated funds	654	724
Revaluation Reserve	4,457	4,933
Restricted fund	274	244
	8,129	7,295