

Dutch quality assurance in construction: lessons learned from European neighbours

After more than a decade of trying, the Dutch quality assurance system in construction is about to transform from a fully public system into a public/private system. Over the years the complexity of the tasks at hand, technological progress, the fragmentation of the construction sector, high failure costs and the weak position of the private consumer contributed to the growing need for reform. But will this reform improve building control and bring solutions to these matters? Many countries have gone before the Netherlands and succeeded whilst maintaining or even improving the overall level of construction quality. In all cases these transformations entailed a (partial or whole) shift of the building control work from local authority building control surveyors to private quality assurers. What can be learned from these countries' transitions? What does work and what does not? Based on a comparison between the German, Irish, Norwegian and the English quality assurance systems the following lessons emerged.

What does the Dutch reform exactly entail?

The Dutch reform has two main objectives. First to improve the quality assurance in construction and second to strengthen the position of the consumer. To improve the quality assurance system the building control work that was formerly executed by local authorities will shift to private building control surveyors. Local authorities will take on a more procedural role, which entails providing planning permission and receiving the as-built file when construction is completed. The private building control surveyors will work with approved digital instruments that will differ according to the complexity of the construction work. The designers of the instruments will check if the surveyor correctly applies the instrument and thereby complies with rules and regulations. An independent central body will in turn approve the instruments and check if the designers correctly monitor the surveyors. Besides the introduction of new quality assurance the category construction work for which no building control is needed, will be broadened. To improve the position of the consumer the liability of the constructor is also broadened. In the future constructors will be liable for all construction failures (not only latent defects) unless these can be attributed to the designer/architect.

Private building control does not lower the quality of construction

The experiences of the German, Irish, Norwegian and English systems show that transitioning from a public to a public/private building control system does not lead to sloppy building control practices nor lower the overall quality of construction. In most countries the shift from public to more private building control was even instigated by incidents caused by large construction failures that resulted from poor supervision. In Germany, Ireland and Norway local authorities still have a role alongside private building control surveyors. In most cases they perform random risk-based procedural and on sight checks. Nevertheless, the private English system¹ shows that local authorities' supervision is not necessarily needed to make sure that rules and regulations are followed and construction quality is preserved. Here, a healthy competition between public and private building control surveyors has led to a more customer friendly service on both sides and faster construction processes (less capital costs).

More functional building laws and regulations help facilitate alternative solutions

In general, national building laws and regulations were found to be more functional and less technically specified. This applied to both building control regulations and building regulations. Building control regulations mainly indicate who is authorized to do what. How the work should be carried out to comply is mostly left to the public or private building control surveyor. Likewise, building regulations set out the minimum requirements for design and construction. The practical operation and more technical specification of these functional requirements are laid out in so called (technical) guidance documents. Parties may deviate from these practical guidelines and apply alternative solutions if they comply with the functional regulations and are approved by the private building control surveyor. This approach to rules and regulations gives more freedom to look for and apply alternative solutions, which in turn helps facilitate innovation.

¹ England has a dual system in which parties can choose between private or public building control.

Different building control procedures apply to different categories of construction work

All four countries identify three types of building control procedures. First of all there are the very low risk construction projects that are exempt from (private and public) building control and for which no construction permit is required. Nonetheless, these structures do have to comply with building regulations. This exemption generally applies to simple structures without a residential function, small extensions, alterations and the repair of a building. Secondly, there is construction work that does require a construction permit but to which a simplified building control procedure may be applied. In Norway this procedure may be applied to simple structures without a residential function and the extension of homes. In Germany, Ireland and England this even extends to new dwellings. In most cases the procedure requires less paperwork and most of the building control work is executed by the constructor (or other parties involved, architect, engineer). In England and Ireland private building control surveyors are not mandatory during the simplified procedure and in Norway and Germany they are required for fewer elements. Finally, the regular building control procedure applies to the more complex construction work for which private building control surveyors are mandatory (with the exception of the English public system).

Other systems focus more on competences of actors involved

There are two ways to make sure building control functions well and construction quality is preserved. Either by prescribing detailed rules, regulations and procedures or by setting quality requirements (educational and experience) for the professionals or companies involved in building control. Germany, Ireland, Norway and England apply both, but focus more on the latter (compared to the new Dutch system). The capabilities and expertise of the private building control surveyor are very important in these systems. On the other hand, the way they have to execute their work is less rigidly prescribed.

Costs differ between countries

The costs of the building control systems vary strongly between the four countries. Germany and Ireland have a relatively more costly quality insurance system than Norway and England. The limitation of

the execution of private building control work to certain professions, the prescribed hourly rates, the relatively large role of local authorities and the number of required actors make the German system and (to a lesser extent) the Irish system more costly. In Germany these costs are offset by an overall high level of construction quality. The Irish system on the other hand is still developing. Nevertheless, parties indicated that the recent adjustments have led to an improvement of the overall construction quality. The English system scores high on cost-effectiveness and efficiency. The healthy competition between private and public surveyors and the separation of the two parts of the system have led to less double work being carried out, more customer friendly service on both sides of the system and has limited process time. This in turn has lowered costs whilst preserving quality. Out of the four countries Norway seems to have the least costly system. Less technical and physical inspections and a more process oriented approach by local authorities and private building control surveyors have contributed to these lower costs. Despite this seemingly less rigid approach to building control the quality of construction in Norway seems to be preserved.

Benchmarking and ‘warranty and insurance covers’ stimulate quality

Having insight in the quality of the work that constructors deliver is valuable from a consumer’s perspective. In turn transparency in the construction market will also make delivering quality more profitable. The English warranty and insurance market (for new builds) shows that applying benchmarking practises gives constructors incentives to deliver quality. Furthermore, ‘warranty and insurance covers’ protect consumers from time consuming legal conflicts concerning construction failures and liability issues. This also stimulates constructors to deliver quality.

Getting the quality assurance in construction right is an evolving process. The challenge for any system lies in finding the balance between regulation and innovation. In other words to not overregulate but to provide enough flexibility and incentives for parties to invent and apply smart solutions whilst making sure a high level of construction quality is preserved.

These conclusions were drawn based on a wider country comparison study the Economic Institute for Construction and Housing (EIB) performed for the Dutch Ministry of the Interior and Kingdom Relations. This study is only available in Dutch.



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