

This philosophy has been stated by this Institute and the UK BRE, too.

However, the Danes seem to have equally little success in applying this work. As already noted the country has no formal feedback for labour or waste of materials, and design remains isolated from production.

Considerable interest is still shown in Denmark in SfB, where it was devised, together with computer systems and other forms of data co-ordination. The extent of their usage in practice, however, is apparently limited to only a small sector of the building market.

Moreover, the trend to packaged deals can be seen as the upshot of the decline in trade contracts developing between competitive tendering and design and build by the general contractor.

Interest of The United Kingdom in the Danish Industry

At present no quantity surveyors are known to practise

in Denmark. While its market could attract the UK suppliers for good quality building components it is unlikely because of its size to offer opportunities for the technical accountant.

While Denmark may seem attractive for contractors, its market offers no opportunities comparable with other European growth countries. Language is not such a problem because many Danes learn English in school and about 38% are fluent in speaking and writing it - compared to 10% Danes being able to communicate in French and 38% of them in German.

It is an interesting market and much can be learnt from its study; in particular, the Danish use of abbreviated bills of quantities and fixed time contracts.

The author wishes to express his thanks for the permission given by the Director of the Building Research Establishment to prepare the paper privately. The views expressed are those of the author alone.

Practice notes

JCT STANDARD FORM OF BUILDING CONTRACT

Clause 30(2) - Payment for on-site materials/goods

Retention of Title (Ownership) by Suppliers of Materials and Goods

The Joint Contracts Tribunal has been informed that some Suppliers of building materials and goods are including provisions in their contracts of sale under which the Supplier retains ownership of such materials/goods after their delivery to site. The terms on which such retention of ownership is secured appear to vary but, in many cases, the passing of ownership to a Contractor or Sub-contractor is made dependent upon payment in full for the relevant materials/goods. It is understood that Suppliers anticipate being able to rely upon such provisions to enable them either to re-possess any materials/goods not paid for in full or to claim against the proceeds of any re-sale.

Consequently, some Employers (and their professional advisers) are seeking to obtain proof of ownership by the Contractor (or, through the Contractor, by any Sub-contractor) before operating the provisions of Clause 30(2). Moreover, in current tender documents some Employers are seeking to amend Clause 30(2) by making it a condition that the Contractor provides such proof of ownership.

Tribunal Decision not to amend Clause 30(2) and Clause 14(1)

The Tribunal has considered whether there is sufficient substance for the concern expressed by some Employers (and their professional advisers) to justify any change in the existing provisions of Clause 30(2) and 14(1) and, with the concurrence of its constituent bodies, does not think that any change is desirable. The main reasons for reaching this decision are as follows:

- (1) A requirement on the Contractor to prove ownership of on-site materials and goods could raise serious legal problems for the Contractor, the relevant Sub-contractors, the Employer and his professional advisers.

Such a requirement would, therefore, be difficult to meet and so might mean, in practice, that payment for on-site goods and materials would not be operated. Moreover, the obtaining of proof of ownership would add to administration costs as would the checking of such proof by, or on behalf of, the Employer. The Tribunal concluded that such a requirement would add to the costs of building work by reason of additional administration and might cause tender prices to rise because Contractors and Sub-contractors could no longer be certain that the value of materials and goods properly on site would be included in interim payment certificates.

- (2) The degree of risk to the Employer from not obtaining proof of ownership before paying for on-site goods and materials in Interim Certificates was not considered sufficiently great to justify the possible additional costs referred to in (1) above for the following reasons:-
 - (a) The period of risk runs only until such time as the on-site goods and materials are incorporated in the Works; from the time of incorporation they cease to be chattels and any right to re-possess by a Supplier would be lost. This is unlikely to be more than a relatively short period.
 - (b) During the limited period referred to in (a), the risk of re-possession by a Supplier would only arise, in practice, if a main Contractor became insolvent. Such insolvency occurs only in a small proportion of the total number of building contracts and this reduces the degree of risk even further.
 - (c) The Tribunal understands that in many cases the supply contract permits the Contractor or Sub-contractor to re-sell the goods and materials. In such cases the Supplier's rights are against the proceeds of re-sale and the Supplier has no right to re-possess the goods and materials. This reduces the risk to the Employer still further.