

Landscape Consultant's Appointment Information Note 1 **June 2018**

Omission of Percentage Fees Graph from the Landscape Consultant's Appointment (LCA) and related documents

Introduction

This information note has been approved by the Technical Committee (TC). It supercedes Landscape Consultant's Appointment Note 1/14, but only minor modifications have been made.

It explains the omission of the Percentage Fees Graph from the Landscape Consultant's Appointment (LCA) and related documents since 2013.

Note

The TC has from the outset been aware of and appreciates the view amongst some members that the absence of a percentage fees graph or similar guidance in the new LCA raises some difficulties, particularly for newer practitioners. Therefore in 2013 it considered the possibility of including/excluding an updated fees graph at length. The discussions which took place are outlined below and explain why there is no longer a fees graph within the LCA.

This question was specifically discussed with Rachel Tennant (the LCA author) and Colin Moore (both being amongst the foremost experts on landscape contracts in the UK) and two other members of TC. It was also reviewed by the TC.

The discussions resulted in the following main conclusions:

Complexity: in 2002, complexity was based on four groupings of project types which implied varying levels of time commitment (it should be noted that the graph had not changed substantially since 1969, when it was a single line with four coefficients). Whilst there is some benefit in taking these project types into account, they are too simplistic for contemporary work. Not only is the nature of the work a consideration, but complexity is directly affected by the applicable procurement processes, such as: 'Traditional', Design and Build, Two Stage Tendering, Public Private Partnerships, Private Finance Initiative, Management Contracting, Construction Management, and Framework Agreements.

Project-specific requirements: time allocations will vary according to whether BIM / BREEAM / CDM (and similar requirements) apply to specific projects.

It is easy to see that by combining the above issues, at least forty levels of complexity rather than four could be arrived at.

Stages of Work: in order to operate a graph-related percentage fee with stage payments, the work which is to be undertaken at each stage has to be clearly defined and the same for every project (in order to standardise the proportion of fee paid at each stage). The 2013 RIBA Plan of Work allows for the increased complexity of methods of procurement and has variability in the work required at certain stages depending on the procurement method chosen (e.g. exactly which stage the planning submissions are made and the amount of information produced for each submission depends on the procurement method). Therefore, for a standard percentage fee system to operate there would need to be a different list of fee proportions related to stages for each different procurement route (and common variations within procurement routes).

Obtaining reference data: The very practical issue arose of how to obtain contemporary data on fee levels for given values of construction work, in order to create a graph which is a meaningful reference. We could perhaps have asked the membership, but took the view that practices would be unlikely to provide data on their fee levels for given construction values. This is commercially sensitive information and would necessarily be handled in part by members of TC, many of whom are also in practice – or perhaps by the technical author, who is also in practice. If, however, this argument generates dozens of responses from practices willing to share their fee data, TC may reconsider.

Durability of data: In 2013 TC wanted to avoid the risk that a graph produced during recession could suppress fee levels going forward. TC also wanted to avoid a need to update all rates a few years later, to reflect improved fee levels. Furthermore, RIBA is aware that clients have been known to ‘work down’ from a graph, particularly in more difficult times. The risk is that potential clients may say: “So, that’s what the graph says – what discount will you give me?”

RIBA: have been here before the LI (in 2009) and address the subject of percentage graphs eloquently here:
<http://www.bdonline.co.uk/why-has-the-riba-ditched-its-fee-scale-graphs/?/3153524.article>

The summary comment is “...*that fee scales and generic fee graphs have done a great disservice to the profession. Picking your fee from a graph may be quick and easy, but it is foolhardy to rely on fee data that does not represent your actual cost base or the specific services you have to provide for a particular project and client.*”

In conclusion: there is no reference for percentage-based projects, nor is there likely to be one. The TC considers that the Fees Guidance incorporated within the LCA Guidance Note 1 is sufficient and clear. Whilst it is up to each practitioner to determine how to price a project, it is sensible to produce fee proposals based upon estimates of staff time and other resources required to undertake specific project work. This can be indicated in the LCA Schedules of Fees and Expenses, or in another form determined by the practitioner.

If more guidance is required, there are a number of publications available at reasonable cost, eg at: <http://www.ribabookshops.com/books/finance/01130102/>

Although it is withdrawn, and bearing in mind all of the above points, the 2002 Fees Guidance will remain as an historic resource available to members on the LI LCA download page.

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