

Construction Industry Leader Steps Down from CEO Role

December 11, 2020



After a period spanning more than 30 years, during which he has been seen as a major force driving industry improvement, Rudi Klein is stepping down from his role as CEO of the Specialist Engineering Contractors' (SEC) Group as from the beginning of the new year. His support for the sector will continue in an advisory capacity through his own legal consultancy which will also provide support to industry groups and firms across a wide range of procurement – related and payment issues.

Professor Klein is particularly noted for his work in leading campaigns against payment abuse which has been (and remains) a major barrier to achieving a more efficient and productive UK construction industry.

He led the industry's efforts to secure legislation in 1996 (Housing Grants, Construction and Regeneration Act better known as the Construction Act) to outlaw some of the worst commercial practices, such as pay-when-paid clauses, and subsequently lobbied successfully for amendments to improve the Act. He is credited with achieving the statutory right of suspension of work for late or non-payment. He advised other jurisdictions on their own versions of the Construction Act and drafted the 2013 Irish Construction Contracts Act for the late Senator Feargal Quinn, member of the Irish Parliament.

He is generally regarded as the leading UK authority on the use of project bank accounts which ensure that payments for construction SMEs are protected in ring-fenced accounts from losses due to upstream insolvencies. His efforts have seen an increasing use of PBAs with their being mandated for UK government departments and agencies, and by all the devolved administrations (subject to certain conditions). Following the collapse of Carillion he renewed his efforts promote the use of PBAs by drafting a Private Members' Bill for Debbie Abrahams MP which sought to mandate the use of PBAs for all public sector projects over £½ million.

Over many years he has led calls for reforming the practice of retentions in the construction industry – a practice increasingly recognised as obsolete and sustained principally for the purpose of maintaining cashflow within companies which withhold monies due to their supply chains. In 2015 he successfully worked with Lord Aberdare in the House of Lords to persuade the government to review the practice. The same commitment to reform led to him to draft a Private Member's Bill for Peter Aldous MP aimed at protecting retentions in a statutory scheme.

In announcing his stepping-down Professor Klein said that he was extremely proud of SEC Group's achievements over the years: "I had a very small team but we were always keen to deliver on a number of priorities that would be of tangible benefit for the majority of firms – mainly SMEs – in the industry. I also had an incredible amount of support from my chairman, Trevor Hursthouse OBE and from the late Lord O'Neill who died in August after having been President of SEC Group for over 15 years."

Outgoing chairman Trevor Hursthouse said: "Rudi's determination to cut through the seemingly endless industry reviews, reports and often ignored recommendations and deliver tangible outcomes which bring real benefit to the industry is self-evident. Operating a business in the industry for more than 40 years, I recognise the value he has delivered, especially to SMEs. Working with him as part of SEC Group, I applaud his commitment to his role as CEO and the exceptional work he has done to promote necessary change across the industry."

Debbie Abrahams MP, who has worked closely with Professor Klein over many years, said: "Rudi has been a tireless advocate to tackle poor payment practices and late payments for decades. His expertise and knowledge on late payments and Project Bank Accounts has been invaluable and he has helped effect real change in pressing the Government to improve payment practices, particularly for small businesses. I look forward to working with Rudi, in his advisory capacity, as the campaign to tackle late payments, once and for all, continues."

Crossbench peer Lord Aberdare added: "It has been a great pleasure to work with Rudi since I rather inadvertently became involved in some of the payment issues facing small construction firms. The challenges faced by such firms, and the important contribution they make, often do not get the attention they deserve among policymakers; but Rudi has been a doughty fighter on their behalf, with many successes to his credit, and will no doubt consider to be so."

Tributes have also come from the CEOs of SEC Group's member associations. Speaking on their behalf David Frise, the CEO of the Building Engineering Services Association, said: "Nobody could have fought the good fight on behalf of SMEs with greater passion and commitment over such an extended period than Rudi. His burning desire to see right prevail and for hard pressed contractors to receive their due

payments has never let up and he has demonstrated his brilliant and innovative legal brain on countless occasions to try and redress the balance in their favour.

“Late payment and unfair working practices continue to blight the industry and put the future of many vital businesses at risk, but the situation has improved immeasurably thanks to Rudi.”

Photo credit: SEC

For today's rail news from railbusinessdaily.com [click here](#).