

## **CIC Policy Update**

**May/June 2009**



### **Party Conference Update**

With an election now less than one year away, the party conferences scheduled for this autumn are of vital importance. CIC has pledged to contribute £10,000 to going to the conferences and further contributions are being received from members. In relation to the Labour Party Conference, a lunch reception (12.45 – 14.00) has been booked and confirmed on 29 September for 70 people at The Consort Room in The Grand in Brighton which is within the secure zone. The facilitation costs for this will be £1,455 (incl VAT). Catering (cold buffet) and AV equipment hire will be extra.

Although an application was made for a lunch time event on Tuesday October 6 2009 at the Conservative Party Conference within the secure zone, no slot was available on this date. A new application was therefore submitted for a breakfast meeting on the morning of Wednesday October 7. Room hire costs for this are still under negotiation. No fringe listing (cost £150 plus VAT) has been applied for as yet until details of speakers are finalised.

For the Liberal Democrat conference, there will be a lunch time event on September 21 at the Connaught Hotel. Costs for this will be £693 (plus VAT) for the hire of the room.

The next main steps in relation to preparing for the party conferences are: arranging speakers for the events; applying for security passes; applying for fringe listing; arranging catering and AV equipment hire and; organizing accommodation.

The fringe events will follow a similar format which will involve the creation of a panel at each event. The panel will consist of: a chairman, a CIC representative and a political figure (from the appropriate party in each case). The joint task force of the Public Affairs Panel has been considering names of those to invite and invitations will be issued shortly.

Members who propose to attend the conferences will have to arrange their own security passes and accommodation. Please note that the deadline for fringe passes to the Labour Party and also the Liberal Democrats conference is July 31. Applications received after that date will incur a late fee. Early bird

registration for the conservative party conference is June 30 2009. After that, the cost of a delegate ticket rises from £285 to £340 for the month of July.

As well as these formal events, CIC is also participating with ICE and possibly also Construction Skills in three shared joint social events outside the secure zones at the conferences. These will take place at the Old Ship Hotel in Brighton on the evening of Tuesday 29 September and on the evening of Tuesday 6 October 2009 at Manchester Town Hall. The venues have been booked from 6.00 – 10.00 pm on these evenings. An event is also planned for the evening of Monday 21 September at the Wessex Hotel in Bournemouth.

### **Liaison with Government**

There have been several high-level interactions with Government in recent months.

Following on from the letter submitted to BERR on 24 March 2009 in relation to the appointment of a Chief Construction Officer, another letter was sent to Lord Mandelson by Nick Raynsford in his capacity as chairman of the Strategic Forum for Construction which outlined current industry concerns in relation to the delivery public spending commitments, and advocated the fast tracking of construction work wherever possible.

In response to this letter, Lord Mandelson initially accepted the invitation to attend the Annual General Meeting of CIC on June 9 2009. As he was, however, made minister of the newly created Business Innovation and Skills (BIS) department only two days beforehand, it was perhaps not surprising that he could not attend this particular council meeting. In his stead, he sent along his deputy who is a minister for state, the Rt Hon Pat Mc Fadden MP who attended the latter part of the meeting and who took questions from the floor.

As a former minister with BERR for the last two years, Mr Mc Fadden is not a complete newcomer in this field. Accompanied by Dr Dennis Walker, Director of the Construction sector within the new department, it was encouraging to note that the minister of state spoke in favour of the creation of a new post of Chief Construction Officer. He said that the Government was committed to creating “a single point of contact for the industry” but refused to give a time-frame for the creation of the post. He said “I do not know when we will hear about it, but we are keen on the idea”.

This will be welcomed by the industry at large in view of the fact that after only a few months, the former (part-time) Minister of Construction has again been replaced. The new incumbent to the post is Ian Lucas.

Another line of contact has developed from an initial letter to the Prime Minister, in reply to which, Gordon Brown suggested that CIC meet with the relevant minister charged with delivery in respect to carbon issues. The outcome of this exchange was that on 4 June 2009, CIC met Joan Ruddock MP, the parliamentary under-secretary of state whose remit includes the delivery of the low carbon economy and ensuring an affordable energy supply.

Another area of interchange with Government has been in relation to the Economic Task Force of the Strategic Forum for Construction. Five meetings of this body have now taken place, each of which featured in-depth presentations of particular areas of Government activity including, the Department of Children, Schools and Families, Partnership for Schools, the Department of Energy and Climate Change, and the Department of Business Enterprise and Regulatory Affairs.

The last meeting of the Economic Task Force on June 22 2009, featured Peter Andrews, Agent for the Bank of England for Greater London. This meeting provided a chance to hear an evaluation of the economic situation from the Bank of England as well as a valuable opportunity to present someone with a direct link to the Bank of England monetary committee with direct input about the situation within the wider construction industry.

### **Cut the VAT Coalition membership?**

At the latest meeting of the CIC Executive Board the issue of CIC membership of the “Cut the VAT Coalition” was raised. Although there was some sympathy with the aims of the movement, joining was not felt to be appropriate at this time.

Founded in February 2008, with the aim of calling on the Government to cut VAT from 17.5 per cent to five per cent for all building repair and maintenance work, the “Cut the VAT” coalition now has 19 members, two of which also belong to CIC - RIBA and RICS. The coalition is organised and run by the Federation of Master Builders as part of its “Get Britain Building” campaign.

Initial arguments used to support the set up of this group included the following.

- To help the Government achieve its target of cutting carbon emissions by 80 per cent by 2050;
- to help eliminate cowboy builders;
- and to tackle fuel poverty at a time when four million households could not afford to heat their homes.

The decision in the autumn to cut VAT temporarily to 15% indicated that there was some flexibility in Government thinking on VAT. A further boost to the campaign came in March 2009 when the EU granted permission to national

Governments to reduce VAT on home improvements, a move welcomed by industry groups and trade bodies. The opportunity to adjust VAT in this respect was not however taken up in the recent budget.

There is a case to argue in favour of CIC joining the coalition and the issue has been the subject of letters to both the Times and the FT in the last few months. It is however not a simple policy issue. In the present fiscal climate, the Government is unlikely to be willing to forgo any revenue but it is possible that it may be done on a targeted basis.

If we wanted to summarise the reasons for joining this coalition one could say:

- the idea fits in well with promoting both urban regeneration and regional agenda;
- it funnels support to small building firms (and small firms of architects, engineers and surveyors);
- it is likely to be popular with the Conservatives; and
- It is something which actively encourages the upgrading of the existing building stock which if we are serious about zero-carbon targets must be actively promoted.

The arguments against involvement include:

- This is not a new issue and arguably the time to raise it has passed.
- The issue is one mainly for smaller building firms who are the core constituency for FMB.
- It is inconsistent to argue for increased construction spending and yet to support a measure which cuts Government revenue.

CIC would welcome feedback from any members who have views on this issue.

The issue of VAT and taxation in general will be the subject of a work-shop which CIC will conduct later in the year.

### **Construction Bill progress**

The latest information on the progress of the Local Democracy, Economic Development and Construction Bill is that there was a second reading of the Bill on 1 June 2009 in the House of Commons.

Part 8 of the Bill was discussed in Committee in the House of Commons on June 18. Controversy still surrounds the amendment on adjudicator's costs which was developed by RICS and supported by the CIC Adjudication Board. Nick Raynsford was briefed on this issue and attended the committee proceedings on June 18.

The latest version of the Bill can be found at:

<http://services.parliament.uk/bills/2008-09/localdemocracyeconomicdevelopmentandconstruction.html>

### **New Safety in Design website**

Safety in Design (SiD) is a “not for profit” company which exists to support designers in the built environment. It has just launched a new website which to some extent is based on updated material from an earlier site. There are sections on this website on CHAS assessments, Design guides, Product guides and Training. The designers of the site are anxious to receive feedback on any ideas for development of this site. A free email newsletter is also available to draw attention to changes within this area.

The website is developed for the UK building and construction sector where there are statutory duties placed on those who engage in design under a range of legislation particularly the Construction (Design and Management) Regulations 2007. Because much of the content is about reducing project risk and harm by technical decisions, a large proportion of the material will have international application. SiD say that they are particularly interested in links with other countries and would like to invite organisations, institutions and companies to contact them to discuss formal and informal arrangements.

Designers are required by UK law to consider aspects of safety and health at all stages of a structure’s life. If they get this wrong they can be prosecuted as individuals and fined or imprisoned. SiD is established to share the best of ideas, and to educate and inform the design community, as well as those who regulate it on what is reasonable, professional and fair.

The website is available to view at : [www.safetyindesign.org](http://www.safetyindesign.org).

### **Recession watch**

CIC is planning to undertake a project to understand the impact of the recession in relation to the construction professions.

This research will focus on:

- The impact of the recession on the size and nature of the workforce, and how this is expected to change in the future.
- The steps taken to meet the recession, including the impact and perceived effectiveness of the measures being taken by the professional institutions and views on what actions should be taken.

- Any changes (brought about by the recession, but also more generally) in the skills needed by firms (and sought when recruiting), and their views regarding future skills.
- The extent to which the recession has impacted/will impact on recruitment overall, specifically in relation to graduates / interns and those just qualifying.

Details about this research project are still being finalized but it will build on other initiatives from CIC which included the workshop held on May 11 2009 on the theme of “Dealing with the recession”.

This seminar examined the impact of the recession within the construction design professions. Adrian Dobson, the Director of Practice at RIBA explained the impact of the downturn within architecture. An outline of mitigation measures and responses was also provided by the Architects Benevolent Society and the Institution of Civil Engineers Benevolent Fund in explaining the functions of their respective bodies.

### **First meeting of Building Control Alliance at CIC**

The first meeting of the Building Control Alliance (BCA) at CIC took place on 14 May 2009.

Matters discussed at this meeting included the on-going programme of development of the website of the new organization which can be viewed at [www.buildingcontrolalliance.org](http://www.buildingcontrolalliance.org). The proposed appointment of a PR consultant was another measure designed to promote the BCA. Responses to a range of consultations from CLG were also discussed.

The Local Authority Construction Engagement (LACE) project from the HSE will be examined at the next meeting of the committee on July 22 2009.

### **CIC BSF Workshop**

In a major exercise to explain the opportunities inherent in the Building Schools for the Future project for the construction industry, CIC hosted a major workshop on this topic on 16 June 2009.

Held in BIS headquarters in Westminster, this event brought together CIC members with leading figures behind the BSF initiative, the primary aim of which is to rebuild or refurbish 3,500 secondary schools in England. This is the largest single education spending programme in the last fifty years and together with initiatives to rebuild the nation’s primary schools and invest in college building

represents the biggest drive in investment building for education since Victorian times.

- One of the workshop presentations can be viewed at : [The Construction Industry and BSF: The challenges and opportunities in working together](#) 