



### Implications of the Conservative victory

The ascent to power of new Conservative Government on 7 May 2015 represents an element of continuity in the political landscape. Some idea of the scope of the new Government can be gauged by looking at pledges in their [manifesto](#). Many of these pledges now form the basis of legislation included in the [Queen's Speech](#) on 27 May 2015. In addition to the commitment to hold a referendum on membership of the European Union before the end of 2017, areas of significance for construction cover the following:

*Infrastructure:* The Conservative party have said that they will provide over £100 bn for infrastructure over the next Parliament. In particular this will involve spending £13 bn in transport for the North which is a key element in the development of the promised “Northern Powerhouse”. The legislation to provide devolution of powers to cities with elected mayors is included in a Cities and Local Government Devolution Bill. The main provisions of this Bill apply only to England. The Conservative manifesto also promises a continued commitment to build the HS2 rail-link to London and to develop HS3 which links together northern cities. There will be a specific HS2 Bill which will provide the legal powers to construct and operate phase 1 of the HS2 rail line. On becoming an Act, it would give the Government deemed planning permission for the railway between London and the West Midlands.

*Energy:* In relation to energy, there is a manifesto pledge to continue to support the Climate Change Act. By 2020, the declared aim of the Conservative Government is that there should be a smart meter in every home and business in the UK. There is also the declared goal of insulating a million homes over the next five years. A new Energy Bill sets up a new Oil and Gas Authority. The new Government has said that it will work with the National Grid to ensure that there is “an effective plan to secure electricity supplies”. In relation to onshore wind there is a major change in that effectively powers would be devolved from Whitehall to local planning authorities.

*Housing:* The Conservative manifesto reiterates promises to build 200,000 starter homes which would be sold at 20% discounts to buyers under 40. In relation to Housing Associations, there would be new right to buy which would be funded by an obligation on local authorities to sell their most expensive properties as they fall vacant. Concomitant with a renewed commitment to protect the Green Belt, there is also a promised requirement on local authorities to provide a register of brownfield

sites. This is backed by a new £1bn Brownfield Fund. In relation to planning, besides a new “Right to Build” which require councils to provide land for “self-build” projects - on a larger scale the commitment to new Garden Cities is restated. These measures are provided for in the new Housing Bill which also contains a commitment to “simplify and speed up the neighbourhood planning system”.

*Devolution:* The commitments to implement the recommendations of the Smith Commission are reiterated in the Conservative manifesto. In any case, these cross party proposals will be embodied in the new Scotland Bill, although the SNP have already indicated that these “do not go far enough”. Although Welsh devolution has been strengthened via the recent [St David's Day announcement](#), further devolution is promised in the Conservative manifesto, including important new economic powers in relation to ports and energy consents. The Conservative manifesto also pledges to deliver on the promised Greater Manchester devolution agreement including the creation of a directly elected mayor. The promise of fiscal devolution will be advanced by the establishment of a pilot which allows local councils to retain 100% of the growth in business rates in certain areas of England.

*Environment:* The Conservatives have promised that the new Government will build 1,400 new flood defence schemes, to protect 300,000 homes. The manifesto also pledges to launch a programme of “pocket” parks in towns and cities.

*Skills:* Conservative pledges in relation to skills include the promise to create 3 million apprenticeships across the lifetime of the Parliament and the promise to give employers more input in order to develop relevant skills. In the proposed Full Employment and Welfare Benefits Bill, there will be new duties on Ministers to report annually on job creation and apprenticeships.

*Migration:* The Queen’s Speech includes a pledge that “measures will be introduced ... to control immigration”. This would include reforms to immigration and labour market rules so as to reduce the demand for skilled migrant labour. One of the measures in relation to immigration is the promise to carry out a consultation on funding apprenticeship schemes for British and EU workers by implementing a new visa levy on businesses that use foreign labour.

*Deregulation:* The Conservative manifesto also pledges to continue the drive to cut red tape. Measures contained in the new Enterprise Bill are supposed to achieve savings for businesses of £10 billion over the term of this parliament. This Bill also promises a Small Business Conciliation Service to help resolve business-to-business disputes, especially over late payment. It also seeks to “improve” the business rate system ahead of the 2017 revaluation.

Further indications of the “direction of travel” of the new Government will come on July 8 when the details of the emergency budget are announced.

## **Ministers in the new Government**

The new Government retains George Osborne as Chancellor of the Exchequer. Other posts of interest to CIC members include:

- Amber Judd as Secretary of State for Energy and Climate Change (DECC)
- Sajid Javid as Secretary of State for Business Innovation and Skills (BIS)
- Patrick McLoughlin as Secretary of State for Transport (DOT)
- Liz Truss as Secretary of State for Environment (DOE)
- Greg Clark as Secretary of State for Communities and Local Government (DCLG)

Junior ministers include Nick Boles, the former under secretary of state for planning who now deals with “retail, construction and rail business sectors” under the portion of his job covered by BIS. As Minister of State for Skills he also deals with “localism in skills, vocational qualifications and employer ownership of skills”. Brandon Lewis is the Minister for Housing and Planning at DCLG and James Wharton is the Minister for Local Growth and the Northern Powerhouse in the same department. Nicholas Bourne is the new energy efficiency minister at DECC.

## **The Edge Commission Report**

The Edge Commission, a multi-disciplinary think tank that works on issues which impact the built environment has produced a report [Collaboration for Change](#) which was launched on 18 May 2015. This is a wide-ranging document, produced by Paul Morrell, the former CCA. The report is the outcome of a commission of inquiry into the future of professionalism in the built environment/construction industry. Senior representatives from CIBSE, CIOB, ICE, IStructE, LI, RIBA, RICS RTPI and CIC contributed to this investigation.

The report examines the nature and history of professional bodies within construction/the built environment in the wider context of changes within the industry (such as a shift in power away from the professions towards the contractors). One of the factors undermining the traditional notion of the professions is the growth of multi-disciplinary firms. The silo mentality of the professions starts early and is deeply imbued within tradition profession training systems.

The need for collaboration is a major theme in this report and in this context, the role of CIC is also examined. There is criticism of the members of CIC “some of whom retain an ambivalent attitude to the umbrella body”. The work of CIC in relation to the BIM project is noted as an exemplar of “how things could and should be”. One of the recommendations is to “develop and empower the CIC as a shared outlet for joint initiatives and announcements, lobbying, campaigning etc on selected cross-

industry issues". Other recommendations include: the development of a national code of conduct/ethics across the built environment professions; that the built environment institutions commit to a cross-disciplinary review of the silo nature of the education system and; that a think-tank should be established along the lines of the "King's Fund" institution, to conduct research and develop policy for the industry.

## **Devolving power to Britain's Key Cities**

Res Publica has produced a new publication [Power, People and Places : a Manifesto for Devolution to Britain's Key Cities](#) which advances the argument that these urban centres are the "missing multipliers" in the current drive to generate economic growth and public service transformation.

This report identifies 26 key cities which fulfill a range of functions including regional service economies (e.g. Preston, Milton Keynes), knowledge economies (e.g. Cambridge), advanced manufacturing economies (e.g. Sunderland), creative digital economies (e.g. Brighton) and visitor economies (Blackpool).

Devolving power to these places in line with those for the larger city regions could generate growth, this report argues. Res Publica contend that this increased power should include greater fiscal devolution, in the form of the freedom to set and retain local taxes such as council tax, business rates and other concessions such as tax discounts for tourism.

## **Consultation on Business Improvement Districts**

DCLG have launched a [consultation](#) designed to strengthen the role of Business Improvement Districts. This consultation covers four specific proposals for strengthening the role of Business Improvement Districts. There are:

- Increasing transparency for all Business Improvement District bodies to strengthen accountability and quality;
- Mandating certain information to be included in any locally agreed Service Level Agreements between Business Improvement District bodies and local authorities in order to encourage closer working;
- Proposals to give Business Improvement Districts the choice of who collects the levy on their behalf; and
- A streamlined approach for Business Improvement Districts to bring forward neighbourhood plans and neighbourhood development orders in non-parished areas.

This consultation closes on 19 June 2015.