

ELECTION 2010: THE LIKELY OUTCOMES FOR CONSTRUCTION

With a spiralling national debt and an economy still battered by recession, this year's general election is set to be one of the most important in decades.

Each of the main parties has outlined policy plans which could dramatically alter the rules of the game for contractors.

Here, *InSite* takes a brief look at some of the key messages from each of the three main political parties and what this could mean for the industry.

The Conservatives

As the bookies' favourite, much of the industry media's spotlight has been on the Tory party and their ideas for construction.

Most significantly, their proposals to overhaul the planning system could have dramatic effects on the housing industry. By eradicating centrally set targets and handing more powers to local authorities, there are understandable fears that so-called 'NIMBY' councils could easily block developments.

Grant Shapps, the shadow-housing minister, says he will offer a range of incentives to the councils that build the most new homes, but it remains to be seen whether this will triumph over those determined to stop planning applications from going through in their towns and villages.

In terms of spending cuts, David Cameron says the health sector will be ring fenced as a safe haven, so this could be a major battleground for future construction contracts.

Labour

Labour has been the party to give the least away when it comes to the topic of budget cuts. There is even speculation that Chancellor Alistair Darling could give the economy one final shot in the arm in his last budget before the election, confirmed for 26 March.

Should they manage to hold on to power, the focus will be on Labour's existing spending commitments and whether these will continue after 2010. Programmes like Building Schools for the Future have been a real boon to the construction sector and many in the industry will be eager to see if it can continue after the election.

Liberal Democrats

With David Cameron needing a huge swing to gain an outright majority in the House of Commons, Nick Clegg's Liberal Democrats could well turn into the king makers of a hung parliament.

At last year's party conference the Lib Dems vowed to increase investment in new social housing and bring all stock up to the Decent Homes standard within two years.

Vince Cable, the party's MP for Twickenham & Shadow Chancellor of the Exchequer, shot to notoriety at the start of the credit crunch as one of the country's most credible economic commentators and has since become a big influence on national economic debate.

He has spoken out on behalf of construction perhaps more than any other high profile politician. Last year he said there was a real risk that the "industry could collapse" without more Government assistance. He has suggested suspending Section 106 from planning agreements and greater intervention in the mortgage markets.

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