

Comment – Budget 2010

Julia Evans, chief executive of the National Federation of Builders, said:

“The decision to provide £94 billion in small business loans will open up much needed credit for thousands of contractors. Far too many successful firms are facing financial difficulty because of the unwillingness of big banks to lend money.

“We are hopeful that the introduction of a new service to adjudicate between lenders and builders will ensure that the extra funding is to the benefit of the robust firms that have been turned away simply because they come from the construction sector.

“Commitments to cut the deficit via efficiency savings in the short to medium term, rather than capital expenditure are welcome while the industry recovery remains fragile.

“Nevertheless with public sector infrastructure expenditure expected to fall by 50% between now and 2014, and with private sector investment remaining fragile the news that 15 per cent of public sector contracts will be guaranteed for SMEs is welcome news for our members.

“However what’s missing in the detail is how they will meet this target such as by reducing the regulatory burden of the Pre-Qualification Questionnaires (PQQs) and tendering procedures, the current system is huge burden to smaller contractors who lack the time and resources of larger firms.

“The guarantee offered by the Government that 80 per cent of payments by all public sector bodies will be made within five days will be welcome news for small contractors who to often are left chasing up late payments.

“What is not clear is how the Government will hold public bodies to account, without this the announcement cannot be taken as a concrete promise of action but merely pledge of improvement.

“The £2.5 billion investment for innovation and skills will guarantee education and training for young people and provide a much needed boost to the employment market, but how much of this will be dedicated to construction remains to be seen”

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