

Press Release

The NFB on the government's first 100 days: death by 100 cuts

The government's first 100 days have seen the construction industry fall back into a double dip recession. The industry's present growth is mainly attributed to companies scrambling to finalise deals before the government axe could fall.

While the speed of the formation of the coalition government was impressive and the five-year programme inspired confidence and gave the impression of a government with a purpose, the execution is sadly wanting.

The government appears to be taking a shotgun approach to policy relating to construction and to housing by floating ideas and seeing what sticks:

- Regional development agencies have been scrapped, but have nothing in their place.
- The government is proposing that councils and businesses create local enterprise partnerships, but ask for detailed proposals before the government has decided how they are supposed to work.
- The government has also scrapped regional spatial strategies, but does not have any transitional plans in place to deal with planning applications and appeals.

And, in much the same way as Gordon Brown redefined the word 'prudence', this government has redefined the phrase from the emergency budget 'no more capital spending cuts' to mean 'we are now cutting the £55 billion Building Schools for the Future programme'.

Looking ahead, as the industry adapts to lower demand and a requirement for different skills, the rise in the standard rate of VAT to 20% will only sign and rubberstamp a charter for cowboy builders. Homeowners, already under financial pressure, will find it harder to choose a reputable builder when offered a cheaper-in-the-short-term cash alternative.

The construction industry has been subjected to a death by 100 cuts over the first 100 days, undervaluing the positive contribution it makes to our living environment and to the UK economy.

ENDS

Word count: 302

Notes:

1. For further information please contact Sameena Thompson, External Affairs Director on 01293 586664 or email Sameena.thompson@builders.org.uk
2. The NFB is one of the UK's longest established trade federations for small to medium-sized (SME) builders, contractors and house builders across England and Wales. It was created 150 years ago to represent the building profession and to help create the conditions for its members to thrive and contribute to the economic success of the UK. Its members range from the sole trader to large, multi-million pound construction companies, with turnover ranging from below £500k to £100m plus. The NFB provides advice, training and business solutions to ensure members stay up to date.
3. The NFB campaigns on the issues that impact the construction industry such as procurement, utilities, sustainability and funding. It represents the industry at government and industry forums and is an active media commentator and policy influencer.