

PRESS RELEASE

22 March 2006



CIC reaction to 2006 Budget

After nine years (and ten budgets) under Gordon Brown's leadership of the Treasury, the construction industry has the economic stability and steady growth it needs to be able to plan effectively - and there is every indication that this will remain the case for the next 6 to 7 years. This is the underlying message that has to be welcomed in relation to today's budget.

However, this budget has done nothing to encourage industry that there is any real desire to reform the regulatory burden imposed upon it: the length of the red tape around construction businesses has grown considerably under this government. On the other hand the budget has also done little to impose extra burdens – which was the key message from CIC in the run-up to the budget.

The increasing levels of borrowing and the burgeoning size of the public sector are also a real cause for longer term concern. Is our future being unsustainably mortgaged to maintain the golden rules of the present? Or will the substantial investment, especially in terms of education, increase future wealth so that the debt can be covered? These questions will remain unanswered for the foreseeable future.

Despite our concerns over the increasing size of the public sector, we do welcome the increased emphasis on investment in schools, skills and education. The emphasis on greater support to encourage the teaching of science in schools, which is vital to the recruitment of people into the construction and engineering professions – and the extension of free education to enable a “second chance” for young adults will also help pull back some of the people we have missed in the last decade.

With regards to PFI the budget is a huge step in the right direction which needs to be strengthened further - the creation of a standard form of PFI cost report would be helpful as would measures to tackle the bidding costs to encourage more SMEs and the strong signal to support bringing design to the forefront of PFI best practice.

CIC welcomes the focus on Britain becoming a world leader in the development of low carbon technologies and in the development of new sources of energy– but the rhetoric does not seem to be matched by sufficient funds, which appear to be pitifully low. £50 million to encourage micro generation technologies will not go far and there is so much to be done in this key area.

Ends

For further comment contact the CIC press office on 020 7399 7407 or email press@cic.org.uk

Notes to the editor

1. CIC is the representative forum for the professional bodies, research organisations and specialist trade associations in the construction industry. It provides a single voice for professionals in all sectors of the built environment through its collective membership of 500,000 individual professionals and 25,000 firms of construction consultants.
2. The Construction Industry Council is a committed partner in ConstructionSkills, the Sector Skills Council for Construction. ConstructionSkills is a partnership between the CIC, CITB Northern Ireland and CITB-ConstructionSkills.