

builders' merchants NEWS

BMF fights for merchants' rights - Published: 26 January, 2012

As politicians and activists gathered at their party political conferences, the Builders' Merchants Federation attended the events in Liverpool and Manchester to make the case for merchants, their suppliers and their customers, writes policy manager, **Brett Amphlett**.



The prime objective was to ensure government and opposition parties fully grasp the value that BMF members offer for jobs and growth.

The BMF believes politicians must be told – repeatedly – of the situation faced by members, every day, up and down the country. Industry-wide forecasts say that construction overall will decline over the next two years, with no significant recovery until 2014.

BMF staff went to speak for the building materials' supply chain – and spearhead efforts to have

politicians re-balance the economy – so that the industry can get on to build new homes, renovate existing properties, and improve their carbon performance.

The core message was that construction is capable of creating a large number of genuine jobs, relatively quickly, in each constituency, for the good of families and the country.

The BMF teamed up with other industry voices under the 'Get Britain Building' banner to make the case, individually and collectively. BMF was joined by friends from:

- British Ceramics Confederation.
- Home Builders' Federation.
- Construction Products Association
- Mineral Products Association.
- Federation of Master Builders.
- Modern Masonry Alliance.
- Glass & Glazing Federation.
- National Federation of Builders.

These organisations will lobby elected and appointed members at all levels of government. I held discussions with Labour MPs – several who are party spokesmen – and the Conservatives, including departmental ministers.

Many of the 2010 intake come from local government which the BMF finds useful in putting its message over. Away from the main hall, I attended at least four fringe events each day, to ask questions and



advance the interests of merchants and their suppliers and customers.

In Liverpool, my aim with Labour was give them ammunition to harry the Government about 5% VAT, how SMEs might benefit from the Green Deal, and apprenticeships. Because Labour is carrying out an internal review into its own party's policies, I sought to fathom its position on, for example, the proposed changes to the English planning system.

In Manchester, my work was to find out what the Conservatives intend doing after the National Planning Policy Framework consultation ended in mid-October. I urged ministers to hold their nerve to complete these reforms that were in election manifestos and the Coalition Agreement.

On jobs and growth, the BMF tried to find support for government investment in selective, demand-side assistance in time for the Chancellor's Autumn Statement on 29 November.

Policy



Analysis of some of the respective policy positions is as follows: Changing the planning permission system in England – the Conservatives are in a quandary because ministers are making a genuine attempt to improve the efficiency of the planning system – the National Planning Policy Framework. Shrinking thousands of pages of policy guidance to less than 100 is very welcome. But, Party volunteers and backbench MPs with an eye on the boundary changes are unhappy about sections of the draft NPPF.

The draft document contains proposals that merchants and their customers can support, such as changes to current arrangements that make the system more positive in its outlook, namely the switch in the default position when considering application from 'no' to 'yes; 'upholding the purposes and benefits of having a plan-led system so suitable applications can be granted in line with such plans without undue delay; the presumption in favour of sustainable development where such plans are absent, silent, indeterminate or where relevant policies are out of date.

Labour's position is to insist on 'brownfield first' and demand a legal definition of sustainable development. They are supported by others such as the Town & Country Planning Association. What is good is that there is a willingness by MPs to hear counter arguments to claims from countryside and conservation charities – for example – on social justice, rural de-population and housing demand and supply.

Many MPs recognise that the Government should ensure the NPPF adheres to the presumption in favour of sustainable development so suitable applications are not delayed un-necessarily. What is not so good is the worry that the Government will back down on key aspects, due to public opinion. Ministers will take time to issue guidance to local authorities. There is the unresolved issue of transitional arrangements. Over half of councils do not have a plan or strategy in place, despite it being a legal requirement since 2004.

How elected councillors interpret and implement the final policy is critical. If not, decisions affecting merchants and their customers are likely to end up in the courts, which is not desirable.

Reduced VAT for RMI

A fundamental difference exists between Labour and the Conservatives. The Shadow Chancellor committed the next Labour Government to an immediate one year cut in VAT to 5% on home improvement. Later, on the day of his speech, Ed Balls MP found time to talk to me about his announcement.

Three ministers – including the Chancellor, George Osborne MP – told me face-to-face that the policy would cost the Exchequer, and that the case for 5% VAT was not convincing. The BMF is left wondering if Labour’s adoption of lower VAT helps the cause. Will Mr Osborne suddenly act now that Mr Balls has taken it up with gusto?



The Green Deal

There is no discernable difference between government and opposition.

In one fringe meeting, I asked the panel to tell me the date they think DECC will realise it has to start spending taxpayer funds to promote the Green Deal direct to voters.

All speakers agreed it will be necessary to do so. The most facetious answer was September 2012 – one month before the Green Deal starts.

There was general agreement that it is perverse to apply a 5% rate on energy consumption, but to apply the full 20% standard rate for energy conservation MPs are steadily releasing the policy is unlikely to lift off because the public is not aware of it. This acknowledges

that it may be necessary to spend taxpayers’ funds to promote the purpose and benefits of the Green Deal to consumers to stimulate demand.

There is a growing desire by MPs to make sure SMEs have chance to participate and not just big business. Greg Barker MP cannot stop naming Tesco and B&Q when eulogising about his policy.

It appears that big non-merchant businesses are moving to consolidate their position by buying contractors. Trials like the ones sponsored by B&Q are likely to increase and intensify in size



and scope. A senior B&Q manager told his own fringe meeting that “we do sell boilers, but not the ones we’d like to”.

Access to finance

There are stirrings among Conservative backbench MPs who argue that ministers should invest in selective, demand-side assistance to improve output and employment prospects.



Moves such as the re-introduction of Mortgage Interest Relief at Source (MIRAS) for homebuyers are being talked about.

Despite Project Merlin, there is concern that the banks will not increase the flow and total sum of money lent to creditworthy borrowers – they offer loans rather than overdrafts.

Widespread anecdotal evidence is confirming that construction is seen as a bad risk. And, overall, levels of mortgage lending are falling.

Aftermath

Since the Party Conferences, the BMF has formally lodged its views on proposals to reform the English planning system with the Government.

On jobs and growth, the BMF was invited to hear Business Secretary, Vince Cable MP, explain to a well-known think tank what he is doing to re-balance the economy.

All in all, I felt it was a successful month’s work to raise the profile of the building materials’ supply chain in general – and the interests of BMF members in particular.

There is a lot to do to make sure the voice of merchants is heard in a crowded marketplace.



As a highly-influential grassroots Tory website pointed out, there were approximately 4000 Conservative Party delegates in Manchester but over 7000 commercial representatives from the media and lobby groups.

Car-makers, aerospace and other industries have better penetration in Whitehall and Westminster. They have bigger PR budgets. We are a supply chain seen as fragmented, without a clear purpose.

The BMF's name and the 'Get Britain Building' brand are recognised. That is good. But, it is clear merchants and suppliers simply must combine to fight for business-friendly conditions for us all to trade and flourish. The Labour Party wants to hear from us, especially on vocational training and skills.

However, the Conservatives and Liberal Democrats are the Coalition Government. They determine policy, pass laws and hold the nation's purse strings. The BMF stands ready, willing and able to help Tory and Lib Dem ministers tackle the country's vital housing, carbon and economic challenges.

Link to original article:

http://www.buildersmerchantsnews.co.uk/news/fullstory.php/aid/5443/BMF_fights_for_merchants_92_rights.html