

THE NEW CITB LEVY SYSTEM



Proposed changes to the way in which CITB Levy is calculated, designed to make it quicker and

easier for employers to submit their Levy Return, were approved by the CITB Board earlier this month. The simplified system, which is subject to Parliamentary approval in early 2015, means employers will now only declare payments made through PAYE or CIS systems and no other payments will be liable to Levy.

The proposals are expected to come into force in 2017 and will see the following changes:

- Employers will continue to declare payments made through PAYE, levied at 0.5%
- Employers will declare the total tax deducted from sub-contractors as reported on their monthly HMRC CIS300s. This figure will be grossed up by CITB using the CIS tax rate (currently 20%) to represent the labour element of the sub-contract payment and Levy will be calculated at 1.25% of this figure.
- The offset mechanism will be removed so employers will no longer declare Labour Only Sub Contractor (LOSC) payments received from other employers, simplifying the process and spreading the payment of Levy more widely and evenly
- The current Small Business Levy Exemption of less than £80,000 will be

maintained and the 50% Levy Reduction will be increased to £300,000 (previously £100,000), thereby ensuring the majority of small businesses are not negatively impacted.

If the changes come into effect as expected from February 2017, Levy will be calculated from data submitted by employers on their 2016 Levy Returns.

For more information on the proposed changes to the Levy, visit the CITB website or view the CITB Levy Simplification Leaflet.

THE MEANING OF DISABILITY

Whilst the Court of Justice of the European Union is currently considering whether discrimination on the grounds of obesity is contrary to EU law, there are other conditions which might not appear to be a "disability" but can be in terms of the definition in the Equality Act 2010.

What constitutes a "disability" under the Equality Act?

Employers dealing with disability discrimination claims should note that the meaning of a "disability" under the Equality Act is much wider than the colloquial or dictionary definition of the word. The meaning is dependent on the symptoms for that individual, discounting the effect of medical treatment.

To qualify as a disabled person, an individual must have a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day to day activities.

It is often the case that an illness or condition may be so severe for that individual that the Tribunal will deem that person "disabled" in terms of the Act when someone with the same condition but with lesser symptoms would not be "disabled".

Nut Allergy

Allergies, if sufficiently severe, can constitute a disability. In the case of *Wheeldon v Marstons plc*, a chef who suffered a severe allergic reaction when he came into contact with nuts while at work argued that his potentially life-threatening nut allergy was a disability. The Tribunal held that the allergy was a "disability." It amounted to impairment and the effect on his ability to carry out normal day to day activities was long term and substantial (more than minor or trivial).

Diabetes

It was accepted that Type 1 Diabetes could amount to a disability in the case of *Clark v Newsquest Media (Southern) Ltd*. In dealing with her condition, the Claimant had to inject herself four times per day. The Tribunal found that by requiring the employee to self-test and self-inject in private, the employer had failed to make reasonable adjustments.

Dyslexia

The EAT found the Claimant to be a disabled person in the case *Paterson v Commissioner of Police of the Metropolis*. It held that when determining whether an impairment has a substantial adverse effect, the correct comparison is not with the population at large but between what the individual can do and what he could do if he did not have the impairment. Once the

Tribunal had accepted that the Claimant needed 25% extra time in his examination, the only correct inference was that the effect of his dyslexia must have been more than a minor or trivial effect and therefore a substantial adverse effect on his ability to carry out his day to day activities.

Eczema

In the case *Glass v Promotion Line Ltd* the ET heard evidence that it took the Claimant more than an hour to get ready in the morning because she had to apply cream and wait for it to be absorbed. The ET held that this amounted to a substantial adverse effect on her ability to carry out normal day to day activities and was satisfied that she was disabled.

In light of the above, employers should be aware of the relatively low bar for an employee to be deemed to be "disabled" in terms of the Equality Act 2010. As such the duty to make reasonable adjustments and the obligation not to discriminate, harass or victimize will apply where they know or ought reasonably to have known that an employee has such a disability.

LADDER EXCHANGE 2014 LAUNCHES

People and businesses across the UK again have the chance to trade their old ladders in for discounted new ones this year, with the Ladder Exchange 2014 beginning on 1st September. Run by industry body the Ladder Association, the



Ladder Exchange takes old, potentially dangerous ladders out of circulation by offering people a cash incentive to trade them in. The 2014 scheme will run from

September until the end of the year. The Ladder Association's Chairman, Cameron Clow, said: **"This is our third year running the Ladder Exchange, which has been an excellent means of getting out the ladder safety message while helping people in a practical way. Thousands of ladders were traded in last year, saving a lot of people and businesses money and, more importantly, hopefully lives as well."**

Safety for the people who actually work on ladders is particularly being promoted during the 2014 Exchange. As noted in the new HSE guidance released this year, people working with ladders must be competent and "have had instruction and understand how to use the equipment safely".

As the guidance goes on to say, appropriate training can help to prove competence. The UK-wide ladder training scheme accredited by the Ladder Association focuses on this competence, and the 2014 campaign highlights the training centres throughout the UK which provide it.

This year's Exchange will also come with expert tips for checking the condition of ladders and using them in the home, and a look at the experiences people have had with unsafe ladder use.

As in previous years, running alongside the Exchange will be the Idiots on Ladders contest. Anyone can send in pictures of dangerous ladder use to the Ladder Association Facebook page ([facebook.com/ladderassociation](https://www.facebook.com/ladderassociation)) or email to info@ladderassociation.org.uk. The public vote will then determine 2014's biggest "idiot on a ladder".

All of these tips and information will be available from the Ladder Exchange website (ladderexchange.org.uk). The site is also the place to go to find a nearby trade-in partner, with outlets all around the UK ready to offer discounts in exchange for old ladders in any

condition. Details are also available by phoning the Ladder Association directly on 0845 260 1048.

TENDER PRICES

Tender prices in 1st quarter 2014 rose by 1.7% compared with the previous quarter and by 3.4% compared with the same quarter in 2013. The annual increase is dampened somewhat as a result of a large increase in tender prices in 1st quarter 2013. Tender prices are expected to continue to rise over the next few quarters, which is also the view of contractors who responded to a recent BCIS survey of contractors.

It should be noted that the sample received to date for 1st quarter 2014 is quite small and the published figure is an estimate, therefore the index for this quarter may vary more than is usually expected as the sample grows.

Forecast to 2nd Quarter 2019

Building on the modest recovery in new work output in 2013, strong growth in new work output is expected during the forecast period, with the position of the economy as a whole improving. However, both at sector level and regionally, the recovery in the construction market is likely to be sporadic.

Short term capacity constraints may lead to higher annual tender price rises over the next few quarters, as contractors find it difficult to cope with the increase in workload. Tender prices are therefore expected to rise by an annual 5% to 8% over the next few quarters, with tender prices rising by 5.6% over the first year of the forecast. As contractors start to cope with the rising workload over the second year of the forecast, it is anticipated that tender price rises will slow to 4.6%. Driven by increasing demand and pressure from

rising input costs, tender prices are expected to rise between 5.0% and 5.5% over each of the final three years of the forecast period. The level of tender prices is predicted to return to the pre-recession peak in 2014, and tender prices are forecast to rise by around 30% over the forecast period.

	2Q12	2Q13	2Q14	2Q15	2Q16	2Q17	2Q18
Annual % Change	to	to	to	to	to	to	to
	2Q13	2Q14	2Q15	2Q16	2Q17	2Q18	2Q19
Tender Prices	+2.6%	+5.1%	+5.6%	+4.6%	+5.5%	+5.2%	+5.3%
Building Costs	+1.3%	+0.6%	+2.8%	+2.8%	+3.3%	+3.8%	+3.9%
Nationally Agreed Wage Awards	+1.0%	+2.1%	+2.6%	+3.1%	+3.7%	+3.9%	+3.9%
Materials Prices	0	+0.4%	+2.7%	+3.0%	+2.9%	+3.5%	+4.1%
Retail Prices	+3.1%	+2.3%	+3.3%	+2.9%	+3.1%	+3.4%	+3.3%
Construction New Work output*	-11.3%	+1.3%	+6.8%	+5.9%	+5.6%	+5.7%	+5.6%

* Year on Year (2Q12 to 2Q13 = 2011 to 2012)

Monthly Bulletin of Indices

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
2003	631	632	632	635	635	632	664	667	667	667	667	667
2004	667	667	666	666	667	667	709	709	710	710	711	712
2005	711	713	713	713	713	714	769	769	769	768	769	770
2006	769	770	770	769	769	769	793	794	793	793	793	793
2007	793	795	795	795	795	795	824	825	825	825	826	826
2008	826	827	827	831	831	832	874	874	874	873	873	874
2009	874	875	874	874	875	875	875	875	875	876	876	876
2010	876	878	878	878	879	879	879	879	879	879	880	880
2011	880	885	885	885	888	889	898	898	909	908	908	911
2012	910	911	913	912	910	912	912	914	915	915	924	924
2013	939	940	943	942	941	938	937	937	938	937	937	937
2014	941	941	942	941	941	941*	961*	961*				

*Provisional