

### **THE PASSING OF A FEDERATION STALWART**

It is with sadness we announce the passing on 4 June of Mr Jim Hayes.

Jim was President of the Federation four times – 1979, 1980, 1992 and 1993. Following this he was voted in to the Honorary Treasurer position. To recognise Jim's work with the Federation he was elected to be Honorary President. – a position he held for some years. He also held the Presidency in the Glasgow Master Painters' Association and was instrumental in setting up the Glasgow Paint Trade Training Group.

Those who knew Jim recognise his forward thinking and as one who helped mould the Federation as it is today.

His quietly spoken words of wisdom are something that we will all miss and his continued involvement in Federation matters over many years speaks volumes for his commitment.

It's unlikely we will see Jim's like again in the Federation and for that this industry is so much the poorer.

Jim is survived by his wife Alice and his son and daughter and their families and we extend our sympathies to them.

### **BUSINESS SECRETARY SETS OUT NEW MEASURES TO TACKLE LATE PAYMENT UNDER NEW ENTERPRISE BILL**

Business Secretary Sajid Javid has announced a new enterprise bill, which will introduce a new Small Business Conciliation service to help settle disputes over payment.

According to Mr Javid, the new service will help businesses "avoid expensive legal costs and maintain business relationships by reaching mutually satisfactory agreements". Other proposals under the new enterprise bill include:

- From April next year, no employer will pay national insurance for apprentices under 25.
- The system of business rates will be reviewed.
- There will be a consultation later this year for the Government's plans to widen the powers for representative bodies to act on behalf of their members, to challenge grossly unfair payment terms.
- The cost of regulation on UK business is to be cut by £10bn during the current parliament.

## CONSUMER RIGHTS ACT

At the end of March 2015 the Consumer Rights Act received Royal Assent: its core provisions will come into force in October. From July, Alternative Dispute Resolution will be available to all businesses to help when a dispute cannot be settled directly with the consumer.

As a result, the law will be clearer and easier to understand. On the rare occasions when problems arise, businesses and consumers will be able to sort out disputes more quickly and cheaply. The changes are relevant to all consumers and every business which sells directly to consumers.

The major changes to consumer rights in the Act cover:

- What should happen when goods are faulty;
- What should happen when digital content (such as online films and games, music downloads and e-books) is faulty; and
- How services should match up to what has been agreed, and what should happen when they do not or when they are not provided with reasonable care and skill.

The Act also improves how competition and consumer laws can be enforced, and rules on unfair terms in contracts.

More information and guidance for businesses can be found on the [Business Companion](#) website. If businesses would like to speak to someone about this, they can call the [Business Support Helplines](#).

Information for consumers is available from [Citizen's Advice](#). Guidance for consumers will be available there when the new rules come into force in October.

## STRONG CONSTRUCTION DEMAND TO DRIVE TENDER PRICE INCREASES – BCIS FORECAST 2015–2019

Tender prices are forecast to rise by 28% in the next five years while resource costs rise by 17%, according to the latest report from RICS' Building Cost Information Service (BCIS).

Tender prices rose by 2.4% in 4th quarter 2014 compared with the previous quarter, and by 7.1% compared with a year earlier. Materials prices rose by 0.8% in the year to 4th quarter 2014 and nationally agreed wage rates rose by 2.3%.

Little upward pressure on materials prices is expected over the first year of the forecast, with domestic and Eurozone general inflation very low. Subsequently, a strengthening construction economy and an improving wider economy will put upward pressure on materials prices, with an increase in the year to 1st quarter 2017 of 2.6%, rising to 4.1% over the final year of the forecast period. Stronger construction demand should put bodies representing employees in a stronger wage bargaining position, and consequently the average of wage awards should rise in the order of 3.9% over the final two years of the forecast period.



New work output in the UK construction industry is forecast to grow strongly over the next five years. As conditions improve in the industry, BCIS predicts that new work output in construction will increase by 6% in 2015 and 4% in 2016. Although growth is predicted to be slower in 2017 (3%), growth is expected to strengthen to around 4% in 2018 and 2019 – an increase of around 20% since 2014.

The main drivers of an increase in industry new work output are likely to come as a result of continued growth in the private housing sector, and growth in the private commercial sector – particularly in relation to the development of office, retail, and leisure projects.

The last three quarters of 2014 saw higher annual tender price increases, in the order of 6% to 9%, as contractors were under pressure to cope with the sharp increase in workload. However, tender price increases are expected to slow to more moderate increases in 2015, as contractors start to cope with the increasing workload. Over the year to 1st quarter 2016, tender prices are forecast to rise by 4.3%, with only modest increases in resource costs. As workload continues to grow over the remainder of the forecast period, and with increasing pressure from resource costs, it is anticipated that tender price increases will rise between 4.5% and 6% per annum.

## **COMPLETE JCT CONTRACTS ONLINE WITH JCT ON DEMAND**

The Joint Contracts Tribunal (JCT) has launched a new digital service to make it easier for contractors to fill in and print JCT contracts online.

*JCTOn Demand* guides contractors through the process of completing popular JCT contracts online, helping them to

make sure that all relevant sections are filled in. Contractors can complete and update their answers in line with the text and view the contract document in progress. At the end, they will get a final copy of the contract as well as a fully-tracked changed version and a summary of the changes.

*JCTOn Demand* enables users to:

- Complete the contract section by section, with explanatory notes to help answer questions
- Preview a draft of the contract and make further changes if needed
- Save and print drafts
- Email a watermarked pdf of the draft contract to others
- Save and print the final contract
- Access completed contracts

*JCTOn Demand* is a pay-as-you-go service suitable for anyone looking to create a one-off JCT contract without amending the original clauses. For each *JCTOn Demand* contract, the price is the equivalent to two hard copies of the contract, one for each party.

*JCTOn Demand* is currently available for the JCT Design and Build Contract (£101.88 + VAT) and the JCT Minor Works Building Contract (£48.64 + VAT), with further contracts to be rolled out in due course. The *JCTOn Demand* versions incorporate the CDM Regulations 2015 changes, which came into force on 6 April 2015, so there is no need for separate amendment sheets.

For more information and to purchase the *JCTOn Demand* versions of JCT Minor Works or JCT Design and Build, visit the **JCT website**.



## Monthly Bulletin of Indices

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
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	961	960	960	962
2015	961	961	961*	960*	969*							

\*Provisional