

Construction News

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Competitive edge

Investing in technology is the way to win work, believes Taylor Woodrow's Tim Peach. Page 25

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Network alert

Women in Property chair Rosemary Tinker is pushing at the glass ceiling. Page 6



NOISE REGS

Listen up...

April will see the introduction of stricter noise regulations to protect workers on site. Page 28



Quarry operators lodge tax rebate claims as European Court looks set to overturn levy

Quarriers claim back £1.3bn tax

By PAUL THOMPSON

QUARRIERS are in line for a £1.3 billion tax rebate in a European court challenge to the Government's aggregates levy.

Solicitors for the British Aggregates Association are advising quarry operators to lodge claims now for repayment of stone tax collected since its introduction in April 2002.

The association is pursuing a case claiming the tax distorted competition and put its members at a disadvantage.

The current levy of £1.60 per tonne costs producers £360 million a year. If the European Court of First Instance finds against the Government the Treasury could face a £1.3 billion repayment bill.

Leading European and competition law specialist practice Herbert Smith, acting on behalf of the BAA, urged stone companies to submit precautionary claims for repayment because statutory rules prohibit the recovery of paid taxes after three years.

Its advice follows a recent preliminary hearing in Luxembourg after the BAA lodged an appeal against the European Commission's May 2002 decision to approve the levy.

The association claimed this decision was unsafe.

Although the final decision on the legality of the aggregates levy is still to be made, quarriers are upbeat over their chances of a successful challenge to the tax.

Association director Robert Durward said: "Although lodging these claims prior to the judgement being delivered is very much a precautionary measure, it was clear at the hearing that both the Commission and UK Government lawyers were scraping the bottom of the barrel in trying to justify the aggregates levy.

"All the available evidence strongly supports the view that the levy is not logically defensible in terms of scope and environmental benefit."

Herbert Smith consultant Brian Jones said the hearing had gone well and he was hopeful the judges would find in the BAA's favour. He said: "Basically the hearing is

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ASBESTOS FIGHT: Widows hold up pictures of their dead husbands at a High Court protest in London on Monday over compensation payouts to asbestos victims. Awards to the families of mesothelioma victims are being challenged by materials giant Saint Gobain. See page 5 for latest Health and Safety Executive policy on asbestos.

Rescued Schmidlin to restart soon

SWISS receivers were due to complete the rescue of failed cladding firm Schmidlin yesterday (Wednesday).

Two overseas companies were left in contention to pick up the company as *Construction News* went to press.

A British bidder and a Middle Eastern rival dropped out of the race to buy the firm, based in Aesch.

Mike Hollis, managing director of Schmidlin's UK division, said: "At the

moment there are two companies left, but the receiver has issues with one bid over the price being offered and with the other over the jobs that would be lost.

"The receiver isn't an accountant, he is part of the Swiss canton government, so there are political implications."

Schmidlin Façade Technology, the company behind the cladding of a host of high-profile London schemes

including the 'Gherkin' at 30 St Mary Axe, called in receivers three weeks ago blaming higher manufacturing costs, falling margins and more complex buildings. It employs 750 people.

Schmidlin UK, which has 200 staff, is dependent on its Swiss parent for bespoke cladding units.

Mr Hollis added: "Small-scale production has restarted and a full resumption of work is imminent."

Bovis takes big Manc office deal

BOVIS Lend Lease is set to secure an £80 million deal to build the largest office building in Manchester.

The firm beat Sir Robert McAlpine to the deal to design and build a home for credit card giant Barclaycard at 5 Hardman Street in the city centre. The work is part of developer Allied London Properties' Spinningfields project.

The scheme will feature a 15-storey tower with 37,000 sq m of office space in four stepped blocks. It will also have a basement car park. Planning permission was granted for the project, designed by Sheppard Robson, last month.

One source said: "Spinningfields has been the major source of office building work in Manchester over recent years and there are still a few more big jobs there to let."

Work is due to start in the autumn and be completed by spring 2008.

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Judge visits Wembley

THE JUDGE in the forthcoming Wembley stadium court battle between Multiplex and Cleveland Bridge toured the site this week in preparation for the £60 million case.

The Technology & Construction Court's top judge, Mr Justice Jackson, visited the north London job on Monday accompanied by representatives from main contractor Multiplex and its former steelwork subcontractor.

One source said: "He'll have wanted to go to familiarise himself with the site, to understand how much steel has been used and have a look at the arch and the bearings in particular."

The pair are suing each other for damages and breach of contract. The four-week case is due to start on April 25.



CONSTRUCTION'S BEST SELLING NEWSPAPER

EU challenge to aggies tax

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an opportunity for a panel of judges to question both parties. Most of the questions were directed at EC and UK Government lawyers and it was clear the judges had taken our points on board.

"We are optimistic and feel there is sufficient chance of a result to encourage companies to table claims."

A Treasury spokesman said it could not comment until the judgement had been made.
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