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challenge this year

A message from the chairman

The concrete block industry faces a significant challenge this year with the commencement of the Aggregates Levy in April. This will increase manufacturing costs by up to 12% for dense aggregate blocks at a time when inflation and new housing starts are at their lowest in living memory.



The scale of this increase seems daunting and is creating concern right across the industry. Our past Chairman and now President of the BPCF, David Blount, led a senior precast industry delegation to meet Paul Boateng MP, Financial Secretary, to discuss the effects of the Levy on the industry. Despite a favourable reception to a detailed and compelling argument to the Levy, the Chancellor's Pre-Budget Speech a few days later suggested that the Government has not had a change of heart (except in Northern Ireland).

The Levy comes at a time when Building Regulations are undergoing considerable change; Parts L & J Thermal Regulations are due to commence in the second quarter of next year, and Part E Sound Transmission Regulations will shortly follow. In addition, the Health & Safety Executive is encouraging builders to use blocks under 20kg in weight for repetitive lifting.

The industry needs to lobby the Government at every opportunity to promote our case for Levy relief. We must, however, also prepare our industry for the other aspects of Regulation change and seek to innovate both in product and service design.

2002 will undoubtedly be a significant year for the block industry.



Chris Hudson, Chairman,
Concrete Block Association

DTI Statistics For GB (000's sq.m.)							Product Shares	
		Dense	Lightweight	Aircrete	Total Agg	Total	Aircrete	Aggregate
2000	1st Half	19158	11535	15162	30693	45855	33.1%	66.9%
	Full Year	37014	22637	28876	59651	88527	32.6%	67.4%
2001	1st Half	18381	11495	14866	29876	44742	33.2%	66.8%
	% change	-4.1%	-0.3%	-2.0%	-2.7%	-2.4%		
2000	Jan-Aug	26197	15817	20561	42014	62575	32.9%	67.1%
2001	Jan-Aug	25073	15585	20349	40658	61007	33.4%	66.6%
	% change	-4.3%	-1.5%	-1.0%	-3.2%	-2.5%		

- In the CBA's Summer Newsletter the latest DTI statistics available for 2001 were for January and February. These showed aggregate block volumes ahead of the same period in 2000 by 21.9%. These figures were disputed at the time and the revised DTI figures now show a decrease of 1.8% for the first 2 months of the year.
- DTI figures are now available up to August (although the last 2 months are stated as provisional) and indicate that the overall block market is down 2.5% compared with Jan-Aug 2000.
- Over the same periods aggregate block deliveries are down 3.2%, dense blocks the weakest performer at -4.3%, and lightweight faring slightly better at -1.5%.
- CBA statistics for the same months show a drop of 4 to 5% for both dense and lightweight blocks.
- According to the DTI, aircrete block sales in Jan-Aug suffered a 1% fall on 2000, with aggregate blocks share of the overall market holding up reasonably well at c.67%.



Review of the year

How have we done in the last 12 months?

The effects of the THB's 'Right to Know' campaign have more than met objectives and expectations a year on. The THB has a much-improved public image and profile and is now recognised as a credible voice for masonry construction.

We are delighted to welcome nine new associate members from the builder merchant sector, who are contributing generously to our campaign.

Our recent MORI poll clearly confirmed the consumer's preference for brick and block construction.

We hosted a very successful one-day conference in association with Building Homes magazine in July. The Future for Masonry-Built Homes attracted almost 200 delegates, with presentations from DTLR, NHBC and Arup Associates discussing brick/block solutions for new Part L and E regulations.

We have achieved over 240 press cuttings in the last 12 months – a very worthy achievement and one of the major sources of our improved visibility.

Over 152,000 copies of our consumer magazine, Home Life, have been distributed nationwide, mainly through insertions in home interest magazines.

Three issues of the THB trade newsletter, Master Plan, were circulated to our database of 15,000 housebuilders, architects, merchants and mortgage lenders.

A major trade advertising campaign has run throughout 2001, promoting awareness of THB issues.

Our new web site is up and running and covers consumer and technical information, research data and press articles (www.housebuilder.co.uk).

Processes affected by the Aggregate Levy

The UK quarrying industry is responsible for administering the levy, taking into account that there are a large number of prescribed processes which are exempt.

In general terms, those processes using aggregate for its chemical properties are levy exempt. These include: cement manufacture, paper manufacture, iron and steel manufacture and refractory processes.

It is still unclear whether quarried aggregate used in the manufacture of aerated concrete blocks is subject to the levy.

Processes utilising aggregates for their physical properties generally are not exempt from the levy charge. Building block manufacturing and other pre-cast concrete processes are therefore subject to increased aggregate costs following the levy charge.

Aggregates affected by the Aggregates Levy

The charge to the levy shall arise whenever a quantity of taxable aggregate is subjected, on or after the commencement date, to commercial exploitation in the United Kingdom.

"Aggregate" means any rock, gravel or sand, together with whatever substances are, for the time being, incorporated in the rock, gravel or sand or naturally occur mixed with it."

The overall effect of these two paragraphs from the Finance Bill is that all aggregates derived from quarrying and sea dredging activities are subject to the levy, together with imported aggregate. The levy is due at the point of sale of the aggregate.

Unfortunately, because the levy is chargeable to the aggregate, imported pre-cast products are not subject to any levy charge.

Aggregates exempt from the Levy Charge

There are still ongoing negotiations between the aggregate producers and HM Customs & Excise, but the following relevant aggregates are currently exempt:-

- dredged aggregate from a river, canal or approach to a harbour, where the dredging is carried out to maintain navigability
- coal, lignite, slate or shale
- coal spoil
- waste from industrial combustion processes, or the smelting or refining of metal
- waste products from the extraction of china clay or ball clay
- pumice
- demolition waste
- construction waste

As previously stated there are ongoing discussions between the quarrying industry and HM Customs and Excise which could result in changes to the above.

Technical Report Building Regulations

Scotland

A comprehensive review of the Building Standards (Regulations) has taken place. Resulting from this the sixth amendment to the Technical Standards was published in September 2001. The sections completely replaced by new versions are:

- A** - General including: definitions, References, Regulations 3-9, and schedules 1-5
- B** - Fitness of materials and workmanship
- D** - Structural fire precautions
- E** - Means of escape from fire: Facilities for fire-fighting and means of warning of fire
- J** - Conservation of Fuel & Power
- M** - Drainage and sanitary facilities
- R** - Storage of waste

Detailed changes have been made to other parts and the package of changes comes into effect on **4 March 2002**.

The changes to Part J include an elemental wall U value of 0.30 provided that the heating system is gas or oil meeting the new SEDBUK boiler efficiency targets. If another form of heating or a lower efficiency gas or oil boiler is used the elemental wall U value required is 0.27. Higher wall U values are possible using one of the trade-off options detailed and in theory, walls can have U values as high as 0.7 if appropriate trade-offs can be arranged.

No changes to Part H are included in the package. It could be argued that the proposals to amend Part E for England & Wales which introduce the concept of pre-completion testing represent an alignment of the requirements for England & Wales with those of Scotland which already has pre-completion testing and therefore no change to Part H is seen as necessary at this stage.

England & Wales

Part L

After some slippage in the programme Part L was finally published on 31 October 2001 together with the Robust Details document which gives constructional details for junctions and around openings. Part L is now in 2 parts covering dwellings (L1) and buildings other than dwellings (L2). Several commentators argued that it would be convenient for many users to have the document split this way. The resulting documents although complete in themselves contain much duplication and this adds significantly to the cost if both parts are purchased.

There are no surprises in the documents which follow on closely from the interim AD L published early this year.

Parts L1 and L2 may be purchased as hard copies or downloaded from the DTLR website. The robust details are only available as a hard copy in ring binder format. It is the intention to keep the robust details under review and revise any in the light of experience. For this purpose the industry panel responsible for the document is due to continue to meet to monitor feedback and make any amendments necessary.



As an alternative to following the robust details thermal bridges can be taken in account by calculation. The procedure for doing this is given in an information paper from BRE. This is: IP17/01 – 'Assessing the effects of thermal bridging at junctions and around openings' by Tim Ward.

The new AD Part L comes into effect on **1 April 2002**.

Part E

The comments on Part E are still under consideration by the Building Regulations Advisory Committee (BRAC) and a revised AD has now been promised for March/April 2002. This could come into effect in October 2002 or possibly at the end of 2002 if the changes warrant a long lead time. It appears that it has not yet been decided whether the controversial requirement for pre-completion testing will remain.

Part A

The consultation on this Approved Document closed on 30 November 2001. Amongst the changes proposed there are useful amendments to cavity widths to recognise that wider cavities will be required to meet Part L and to the specification of wall ties. This latter change will make the use of stainless steel ties more widespread. Although the requirement is being introduced for durability reasons it has benefits as stainless steel ties generally have a negligible effect on wall U values calculated to BS EN ISO 6946 unlike galvanized mild steel ties.



A good deal of adverse comment has already been generated in relation to the change in the rules for buildings to be able to resist disproportionate collapse. For example, this change will require additional tying in flats and apartments of over 2 storeys which will disadvantage masonry as alternative constructions will be significantly easier to design.

Product Standards

BS 6073
After pressing for changes to the materials clauses of BS 6073 for the last 2 years BSI has now applied for a derogation. This is the first step required when a European Standard is being prepared and entails obtaining the agreement of other members of CEN to the change. The change will allow producers to use materials other than those at present prescribed by BS 6073. A producer will have to ensure that any material used is fit for the purpose. For example the resulting product would need to be durable, not react with finishes and not be a hazard to health. The request to amend BS 6073 has received approval from Europe and the proposal is to delete clauses 4, 5 & 6.

BS EN 771
The formal vote stage for the masonry unit standards is approaching. Whilst the new standards contain more requirements than BS 6073 they contain less limits. The CBA vote on whether to accept them will be taken by the Technical Committee but any member not represented there and wishing to comment on the acceptability of the standards should request copies of the formal vote drafts from Gerry Pettit. At this stage only editorial comments will be accepted and a vote for or against the standards. A negative vote needs to be supported by a justification.

Data sheets
In support of changing regulations and market conditions the technical committee has been preparing and revising data sheets as follows:

- Parts J & L** - Simple explanatory leaflets incorporating design solutions
- Cellular blocks** - Advantages
- Sulphate soils** - Responding to the replacement of Digest 363 by BRE Special Digest 1
- Safe Handling** - Expanded advice with better descriptions of alternatives

Visit our website for the latest information - www.cba-blocks.org.uk

Aggregate Levy

The Aggregate Levy is due to commence on 1 April 2002 and will result in a significant aggregate cost increase for building block producers.

So what are the key elements of this Levy?

Background

The Government stated in the March 2000 budget that it intended to introduce a separate levy on the sale of aggregates, and will come into effect from April 2002, at the flat rate of £1.60 per tonne.

The principle behind the aggregate levy (as stated in the 2000 Pre-Budget Report) is that polluters should face the true costs which their actions have upon society. The 2001 Pre-Budget Report provided further explanation of the Government's thinking:-

"The levy will be implemented in April 2002 and will ensure that the environmental impacts of quarrying aggregate, such as damage to biodiversity and visual intrusion, are more fully reflected in aggregate prices. It will encourage the use of alternative materials, such as wastes from construction, demolition and clay and coal extraction, that would otherwise be disposed of to landfill. It will also promote greater development of new recycling processes, such as using waste tyres and glass.

Revenues from the levy will be recycled to business and communities affected by the aggregate extraction through a new £35 million a year Sustainability Fund. This Fund will be introduced alongside the aggregates levy, 'to reduce the need for virgin materials and limit the environmental effects of extraction where this takes place.'"

Comprising just four regular attendees, the CBA marketing committee tries to meet every 6-8 weeks. What did our marketing efforts achieve in 2001?

- We launched a brand new corporate logo in February, to bring the CBA image up to date.
- We continued to keep members informed and involved, through publication of CBA Update, member surveys and other communications.
- We progressed artwork for 12 technical data sheets (print pending subject to Part L & E changes).
- Promotional leaflets on Part L, Part J and Cellular Blocks were published in December.
- The CBA web site, in the new corporate style, went live on 1st October (www.cba-blocks.org.uk)
- An advertising campaign ran in key trade journals in the autumn, to raise awareness of Part L/J/E compliance. 'Sound Benefits', 'Sound of Silence' and 'Sound Advantages' were some of the straplines that helped to attract record traffic to our web site.
- Our press relations campaign was restricted by lack of good quality stories, although we achieved coverage in some key bricks/blocks features. However, a plea to members in October for case study material resulted in a very positive response. **A very big thank you to all those members who took the trouble to send in leads – these will be crucial to our campaign in 2002.**
- We issued a CBA exhibition board to all members, for display in company reception areas, factory offices and use in exhibitions.
- We produced a corporate pop-up display stand for promotion of CBA at exhibitions and seminars.



- We surveyed a number of technical colleges to ascertain demand for lecture material in support of the Better Brickwork Alliance

A message from Health and Safety Pallets collapse warning

A CBA member recently received a complaint from a customer that a wooden pallet holding blocks had collapsed, causing a domino effect with the blocks stacked on top of it toppling over and knocking over adjacent stacks of bricks and blocks. The blocks were stacked three pallets high on this occasion and it was the bottom pallet that gave way.

Fortunately, the incident happened in the early evening when the site was closed for the day and consequently no one was injured. Initial investigations indicated that the offending pallet was damaged prior to despatch and that this was the prime cause of the collapse. Further investigations however identified that another possible

factor could have been the safe loading capacity of the pallet. When stacked three packs high the bottom pallet could be supporting a load, depending on block type, in excess of 4 tonnes. This is well beyond the design parameters of many pallets in common use.

In compliance with the members Health and Safety procedures, an accident alert was issued to all of their production units advising works managers to be aware of the risk that damaged pallets could pose and asking them to be vigilant when checking pallet stocks. A further review was carried out to ensure that the pallets being used were capable of supporting the required load.

Member news

- We are delighted to formally welcome Cambrian Concrete and Stowell Concrete as members of CBA, together with Appleby Group as associate member.
- Associate member, Castle Cement, recently announced the appointment of Keith Ellis as general manager, as part of the reorganisation of the company's commercial structure. Keith is supported by Andy Stewart, national concrete products manager and Bob Bellamy, national readymix manager.



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