

DDA

Disability Discrimination Act

The Disability Discrimination Act has serious implications for any business or organisation providing goods and services yet many are still unaware of, let alone prepared for, this new legislation.

The Department of Education and Employment estimates that there are approximately 8.5m people in the UK with a disability covered by the Act and they spend around £40 billion a year on goods and services.

The Disability Discrimination Act 1995 gives disabled people rights of access to goods, facilities and services, buying or renting land or property and employment. Can you afford the penalties for non-compliance let alone missing out on this valuable potential business?

That part of the Act affecting service providers came into effect in 1996 and made it unlawful for them to treat disabled people less favourably than other people for a reason related to their disability. It is therefore essential for service providers to comply with the provisions now in force and make provisions for the future not only to avoid committing an

act of unlawful discrimination but also avoid isolating themselves from a valuable area of their market.

Despite this many businesses have taken no steps towards compliance. Recent surveys have shown that one in five major companies have done nothing and, more alarmingly, 52% of small businesses are either unaware of the legislation or have done nothing about it.

A "disability" extends

beyond those in wheelchairs and includes sensory impairments, such as sight and hearing, and mental impairment. The definition of "service provider" is equally wide and

extends to any business or organisation that provides goods or services to the public. This obviously includes shops, restaurants, banks and building societies, hotels and leisure uses and the professions such as solicitors, accountants, doctors and estate agents etc.



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Looking ahead...

The atrocities of 11 September wiped out 26m sq ft of offices from the Downtown Manhattan market. The immediate thought was that demand for so called 'trophy' buildings would disappear and there would be a dramatic increase in demand for offices in Midtown caused by businesses displaced by the attacks.

Whilst the world coalition against terrorism gathered momentum the world held its breath for recession and this prompted many businesses to re-evaluate their strategies against markets that were already in decline. As a result the experience in Manhattan and elsewhere, including the UK market, has been a downturn in demand for offices although in Manhattan the demand for space within trophy buildings remains steady suggesting that tall buildings are still felt to be safe.



Whilst still embroiled in litigation over the "one or two attacks" dispute with insurers, the owner of the World Trade Centre, Larry Silverstein, is now planning the redevelopment of Ground Zero. In a recent interview with the Estates Gazette he said "Not to rebuild would be an acceptance of defeat by terrorism".

Here in the UK the property market took a very similar downturn that followed a tail off in the market in the early part of last year. Bowyer Bryce senior Partner, John Bryce, comments "We noticed a downturn in demand at Easter and the events of September were almost a catalyst for what was already happening. As a result we saw immediate cut backs in a number of industries but the significant difference between today's market and the early 90's is the present level of interest rates which has sustained a certain amount of confidence, particularly in consumer spending."

Clearly some businesses have been affected to a greater extent than others and although we read and hear comments in the media these often relate to national and international corporations. Whilst these provide a useful barometer we sought the views and experiences of a cross section of our clients - how they may look back at 2001, how their market may have been affected, how they may have adapted and their expectations for business over 2002.

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Looking ahead...



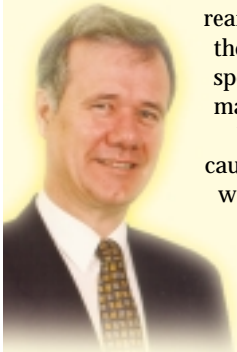
The overall performance of the UK economy during the past year has been strong compared with other major economies where growth has slowed considerably.

The Bank of England moved swiftly to protect the economy by decreasing interest rates seven times during the year from 6% to 4%, the lowest level in 37 years. Businesses have generally become more resilient to harder times. Business failures declined by 1% during the year. Smaller businesses fared better where bankruptcies fell by 2.4%, while larger company liquidations increased by 1.6%.

Lower interest rates, steady inflation and the lowest level of unemployment for 27 years continued to fuel house prices and consumer spending. House prices increased by 15% year-on-year and December retail sales growth was at its highest level since 1987.

Manufacturing suffered badly during the year, affected by slowing worldwide demand and the continued strength of Sterling. On the other hand, consumer demand remained strong resulting in buoyant retail and housing markets. This reaffirmed the existence of the much talked about 'two speed economy' in mainland Britain.

While business is taking a cautious view, the economy would appear to be in good shape for the year ahead.



Paddy Kelly
Allied Irish Bank (GB)

Looking

Activity in the Construction Industry last year was on a high, both the public and private sectors were looking for substantial output. Typically there have been labour shortages but the material side of the industry seems to have coped well, probably because of the range of products now available and the fact that we have a greater draw on the European market for supplies.

Salaries for the professional staff are relatively high compared to other sectors, mainly due to a shortage of qualified people. Hopefully the salaries now on offer will encourage more school leavers to look at construction as a career.

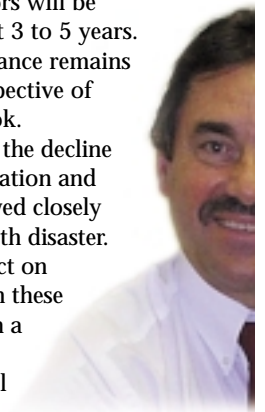
The Industry is changing, it is becoming more professional and in general companies are looking more critically at themselves and upgrading their management in all aspects to cope with more demanding client requirements.

Construction has traditionally been the first to go into recession and one of the last industries to recover. I do not see this pattern changing but I do see a change in the way economies are being managed and it appears that various governments are more aware of the fact that severe upward and downward shifts in economic activity is not good for any of us. I therefore believe that we are in for a period of stability. There will of course be switches in demand for

particular types of construction and local issues may affect certain regions.

One should always be aware that public money accounts for over 50% of the construction output in the UK and therefore the government has a big say in the stability of the industry. At present it has a large programme of modernisation and construction in education, health, housing and public services and therefore these sectors will be buoyant for the next 3 to 5 years. Repair and maintenance remains fairly constant irrespective of the economic outlook.

Last year we saw the decline of the telecommunication and I.T. industries followed closely by the September 11th disaster. This has had an effect on new build projects in these sectors together with a rapid reduction in hotel work and retail 'fit outs' but many



Imperial Engineering is a small engineering company, employing 25 people and has been based in Cheshunt since 1971.

The business is divided into two elements, the retailing of new air braking and associated products, and the in-house remanufacture of under-chassis components, primarily for the Bus industry.

The engineering industry has not had the best of fortunes in the last decade, and we, like many of our contemporaries, have had to be both adaptable and innovative in order to maintain a strong infrastructure, capable of meeting the challenges of the 21st century.

We approach every year with the aim of maintaining and consolidating our core business, and view real sales growth as an opportunity rather than a necessity.

For our particular business, 2001 was a year in which we were able to benefit from this opportunity and reverse the trends of the past three years in terms of sales growth.

The policy to invest in the public transport sector by the Mayor of London, and in particular the decision to re-introduce as many Routemaster buses as possible in order to improve the bus-flow traffic in London, provided a major benefit to us.

We have been repairing and

remanufacturing components for the Routemaster since the 1980's and given our specialist skills in this area, we have been able to meet the up turn in demand set by the various bus companies in and around London

In addition to the Routemaster, many of the new buses, which have been introduced in the last four years, are now outside of their warranty periods and therefore we are seeing an increase in demand for the replacement of worn components in the after-market.

For our Company therefore, 2001 was a positive year for business. The advantages of having all our business based in the U.K. market has meant, perhaps, that economic events elsewhere have not noticeably undermined our stability.

We view 2002 with cautious optimism, anticipating a healthy order book. However, business, like life, can never be taken for granted. Events world wide in 2001 and in particular September 11th, will affect us all for many years to come. Equally, we are inter-dependent on the stability of our larger suppliers and if the ripples in our pond become the waves in theirs, then clearly we would encounter more significant problems.

So in our view for the year ahead, whilst optimistic, we must remain cautious. Above all else we know the only certainty is that Murphy's Law will always prevail.

Stephen Dwight
Imperial Engineering



ahead...

other types of work continue unabated. When the intentions of the Americans become clearer confidence may well return to these sectors.

Private new build housing I believe has peaked but will be maintained at a constant level for a few years buoyed up by one of the lowest mortgage rates since the sixties. Upgrading and improvements to private housing will continue to be strong although to a lesser extent than 2001. New build construction in London will start to tail off in 2002 but will continue to be strong particularly with major projects such as terminal 5 at Heathrow and the Wembley stadium coming on stream.

Civil road projects in North London will decline with emphasis being put on public transportation. There is talk of East/West rail links and upgrading the underground system but we have yet to see these materialise. Certainly the repair and maintenance of the road systems are likely to be curtailed with proposed Government revisions in funding.

In North London we have some

interesting situations with the Mayor of London's Office cancelling the completion of the North Circular improvement works between Bounds Green, Palmers Green and the A1 junction. These bottlenecks are the last link in a scheme that has been planned for 25 years and would connect North and East London to the North West, ensuring good road access to the new Wembley stadium and provide a major facility for the growth of North London Businesses.

The Mayor then strongly backs the Construction of the new Stadium at Wembley and condemns the Government for cancelling the upgrade of Wembley Station! It's a good job that I am just a simple builder - these politicians are too clever for me!

John Gray
Diamond Build plc



2001 was a year heavy with predictions in the media for an economic meltdown, perhaps understandably. The reality, however, is that the meltdown did not materialise and the economic downturn remains a myth. In fact retail sales figures in the final quarter of 2001 exceeded all expectations.



In our sector, residential development remained buoyant throughout 2001, maintaining an enviable 20-year trend. At Fairview we will continue our vigorous development programmes in 2002 and beyond as demand for high quality housing in London and the Home Counties continues to find a market. Our commitment to setting new standards of excellence in meeting the aspirations of modern living means

Fairview is much less vulnerable to short-term changes in the economic climate.

We will continue to confront and respond to the challenges of urban renewal, exploring all possibilities for regeneration with courage and imagination. Over 90% of our land acquisitions are brownfield sites which do not have planning consent and so we continue to breathe new life into abandoned locations,

regenerating areas which have been passed over or ignored by others, sometimes for generations. The events of 2001 will not dampen that enthusiasm. Our presence and commitment in London and the Home Counties has extended successfully over four decades and will continue unabated in the years to come.

John Cousins
Fairview New Homes Ltd



Retailing in general in London has been affected by the events in September 2001, mainly by the fall in visiting tourists. This affect seems to have diminished for the key trading months of December and January. The major retail players are currently reporting solid sales growth.

Local shopping centres in North London and Hertfordshire did not suffer to the same degree as Central London and Christmas trading was quite buoyant albeit with pressures on margins. Durable goods retailers have benefited by the continuing strength in the housing market and 2001 recorded the highest sales rates ever for new cars. Low interest rates and high employment contributed to consumer confidence despite the international turmoil in stock markets.

Pearsons have traded successfully in Enfield Town as an independent family business for nearly 100 years. The roots of our success, other than location, are the basics; good merchandise offers at competitive prices allied to very high standards of Customer service. Despite increased competition from out of town retailers, Pearsons still serves the local population needs and aspirations in Enfield Town, Wood Green and Bishop's Stortford.

Consumer confidence will be the key to retailing in 2002. If the housing market continues to be active and unemployment is not an issue there does not seem any reason why our customers will not continue to spend, albeit cautiously. Nevertheless there are risks. Will recession finally arrive in 2002? Low interest rates on savings have a negative effect on our older customers. Competition has intensified, margins remain under pressure and some areas of costs have spiralled - particularly building insurance premiums.

Pearsons do not expect 2002 to be a vintage trading year but will try even harder to make shopping for our customers a rewarding experience.

Robert Eilers
Managing Director
Pearsons (Enfield) Ltd

Limited Liability Partnerships

Following numerous articles in the press most businesses are aware that it is now possible for a business to incorporate as a Limited Liability Partnership (LLP).

Julie Walsh, a Partner with accountants Kingston Smith, explains.

An LLP can be used by anyone who is carrying on a trade or profession. Despite relatively few solicitors and accountants incorporating there has been a great deal of interest from, amongst others, partnerships of surveyors, architects and engineers that we have spoken to.

The main difference between an LLP and existing partnerships is that the members of an LLP will, in most cases, only be personally liable for the actions of the LLP or claims against it to the level of their capital invested in the LLP. This is unlike individuals in partnership who have unlimited liability for the actions of their partners.

The extent of limited liability protection for members of LLP's is not as comprehensive as that afforded to the shareholders of a company. Despite this a number of firms of surveyors have expressed considerable interest in the protection afforded by LLP's.

One of the main concerns of people in existing partnerships is that the liability of partners can extend for a number of years after contracts have been completed. There is always the worry that a claim, which will bankrupt all of the partners, may come a number of years after a job has been completed. Incorporating as an LLP could protect the partners from this much-feared "Armageddon claim".

However, obtaining the significant benefit of limited liability whilst maintaining the tax benefit of being taxed as a partnership does not come without a price. LLP's are subject to many of the same administrative and disclosure burdens as companies.

Until now accounts and in particular profits have been a private matter just for the partners, but this will no longer be the case with LLP's. This means filing accounts in a prescribed format similar to Company accounts at

Companies House so they are available for anyone to inspect. Including clients, suppliers and staff!

A worry that many existing partnerships appear to have is the requirement that the profit share of the highest paid member may need to be disclosed in the LLP's annual accounts, and the impact this information may have on clients for example.

The transfer of an existing partnership to an LLP or the start of a new venture using an LLP will require careful consideration. However there can be no doubting that the Limited Liability protection afforded by this new corporate vehicle may outweigh any of the potential downsides for a number of partnerships.

Obviously there are a number of issues to be considered when deciding whether to convert to an LLP and if you want to discuss any points, please contact Julie at Kingston Smith on 020 7566 3800 or email jwalsh@kingstonsmith.co.uk



DDA (Continued from page 1)

The requirements of the Act are being phased. Since October 1999 service providers have been required to take reasonable steps to change practices or have in place policies to enable disabled people to use their service. It has also been necessary to make physical adaptations to a building that made it impossible or difficult for disabled people to take advantage of the service being offered by providing an alternative means of providing that service.

From October 2004 however there will be the additional duty to take reasonable steps to overcome any physical features within a building, by removing, altering or avoiding it to ensure access for disabled people. As with all such legislation there will be and are problems in deciding what is and what is not reasonable in any particular set of circumstances. The degree of reasonableness can extend to the type of service being offered, the size and resources of the organisation and the extent of the steps to be taken.

There are penalties for non-compliance, that is treating a disabled person less favourably than one who is

not disabled, although as yet those penalties have not been determined.

It should be borne in mind that the Act not only applies to owners of buildings but also to tenants. The particular circumstances of the case would dictate responsibility for compliance and there are procedures within the Act to amend lease terms to facilitate what is necessary. Apart from any penalties under the Act, the legislation could also affect the future value and income potential of a building.

There are many potential ramifications to this legislation and businesses and property owners should consider the implications at an early stage so that they, and their premises, are fully prepared.

Service providers should be considering now what changes they should be making to their premises and the manner in which they provide their services both now and after 2004 not only to ensure that they comply with the Act but also to ensure that they are not isolating themselves from a valuable sector of their market. Rather than risk possible claims and adverse publicity

they should consider the benefits of a positive public image and valuable business opportunities.

If you would like a copy of our fact sheet with further information please contact Steven Murray on 020 8367 5511 or email your request to dda@bowyerbryce.co.uk

Alternatively, a copy may be downloaded from our website at www.bowyerbryce.co.uk

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