



NOVEMBER NEWSLETTER

Issue 12

Clients fear for contractors' survival

Public and private sector clients fear suppliers could struggle to survive the coming months. Cashflow problems as a result of the pandemic, coupled with potential disruption caused by Brexit, could prove too much for some companies, a civil servant has warned. Speaking at the [Construction News Summit](#), Department for Education divisional director Paul Mustow said: "I think our biggest concerns are around the fragility of the supply chain. [We need] to come through the end of COVID, make our way safely through an EU exit [and] come out the other side in a stronger place, and make sure that the whole the industry is secure through that."

Far East Consortium regional general manager Gavin Taylor said the current risks in the market meant clients had to be knowledgeable about their suppliers. "It's about getting close enough to your supply chain to ensure they're not going to pop. A lot of people are struggling out there for cashflow, and it's some of the ones that you don't expect," he said, adding that firms needed to be honest with others in the supply chain about this position.

"I think that we just need to be cautious around the financial stability side of things," Taylor said. "We need to be real on the gearing of some of these entities and really get a level of transparency, because transparency has been something that's always been lacking in the construction industry."

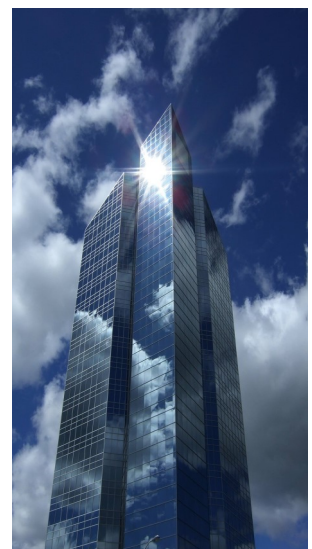
The clients speaking the CN Summit said they were aware of the role they have in supporting the industry. Ebbsfleet Development Corporation director of projects Julia Gregory said: "Something that we introduced really early on was much faster payments, through our main contractor down to the supply chain – and we have established parameters that we expect them to pay their subcontractors."

Read more at
www.constructionnews.co.uk/



Inside this issue:

Due Dilligence in Property	2
CDB Carry out Technical Reports	2
Green Homes Grannt	3
What can I do at Christmas	4
CDB Expert witness	5
CDB LTD 10 year Report	5



What is 'due diligence'

Anyone investing in or buying shares in a business should raise legal, financial and commercial due diligence enquiries. Due diligence is the process by which proposed investors or buyers investigate the target company's constitutional documents, accounts, key client and supplier contracts, assets, intellectual property rights, employees, property and premises, disputes and tax history. Every individual investor has their own attitude to risk but most will raise at least some due diligence enquiries before investing.

**Why we have due diligence**

In simple terms, the principle of '*caveat emptor*' applies, which roughly translates to 'let the buyer beware'. A seller is generally not under any obligation to disclose any issues relating to the business and it is the buyer's responsibility to raise enquiries. The process should be commenced at the earliest opportunity and before exchange of contracts or completion of a purchase.

Benefits of due diligence

The due diligence process allows a buyer to better understand the business they are buying into and learn whether the price they have offered is a fair price. If the due diligence process is carried out early on then, if any serious issues are discovered, the buyer may be able to negotiate a discount on the purchase price. Alternatively, the buyer may be able to seek warranties and indemnities from the seller which, in effect, gives the buyer a right to claim a portion of the purchase price back if any of the anticipated problems actually materialise. A well organised due diligence process also allows the parties to communicate on any problems in the business and plan for the future which is particularly important if the parties intend to form a relationship for the longer term, eg where two companies merge together.

Costs of due diligence

There are professional costs involved in this process and input is often required at least from legal advisors and accountants. The cost is often justified as the risks associated with not investigating the target company can have very serious financial consequences. Without carrying out due diligence, a buyer is accepting risk and may be left without a remedy if problems later arise. Parties can decide between themselves who absorbs the cost of the effort but it is normally at the buyer's cost.

[We carry out full pre-purchase Technical Due Diligence/ Condition Survey Reports.](#)

The Technical Reports cover all Electrical/HVAC/Plumbing installed within the property and they are NDT (non destructive testing/inspecting) to visual/visible and accessible locations and carried out under Covid safety conditions.

Reporting on all existing, visible and accessible equipment details - incoming mains services, sizes, Water, Gas -Electrical requirements, including all necessary comments to existing services and add full recommendations.

Our fee includes all necessary travelling time, the taking of all photographs to include within the report as considered necessary and making comments on same together with your review/approval of report and thereafter to issue the final Report

£455.00 exclusive of V.A.T. (within a radius of 50 miles of Manchester, and within a radius of 50 miles of Carlisle outwith these areas please contact us for a quotation)

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CALL FOR EXTENSION TO GREEN HOME GRANT SCHEME

The Green Homes Grant will not fulfil its intended purpose of stimulating the economy and improving the energy efficiency of homes unless the deadline is extended and critical failings are addressed – so says Mark Wilkins, head of training and external affairs at Vaillant, in this point of view:

“When the £2 billion Green Homes Grant (GHG) funding was first announced, we welcomed the scheme but did voice some concerns over whether the ability to install heat pumps and other low-carbon heating technologies in sufficient quantities would be limited by a shortage of installers. Unfortunately, recent media reports seem to indicate that this is now the case, with many homeowners simply unable to find an MCS and TrustMark certified professional in their area.

“This is disheartening, as there are 120,000 plus registered gas engineers in the UK who could be prime candidates to fill this gap if given the right help and support to gain the necessary certifications. However, as the GHG scheme is currently only valid until March 2021, there is not enough time for this to happen, as the process can take months.

“What’s more, as we enter a second lockdown, many homeowners may be fearful about letting a tradesperson into their home during the winter period – especially if they are elderly or have a medical condition – yet people in these groups are likely to benefit substantially from a more energy efficient home.

“Therefore, we urge the Government to extend the deadline for GHG applications and consider introducing separate measures to encourage current heating professionals to become proficient in low carbon heating installations and gain MCS accreditation.

“Feedback from installers who are already eligible for the scheme has also identified several areas for improvement; in particular, the need for better education for homeowners on the technical requirements of installing and operating a low carbon heating system for optimum performance.

“As heat pumps operate at lower flow temperatures than boilers, they need to be paired with low surface temperature radiators or underfloor heating to operate at maximum potential. The property should also be heavily insulated with minimal heat loss. However, many installers have reported homeowners expecting to be able to just do a simple switchover, leading to disappointment for the customer and time wasted for the installer.

“Manufacturers are doing their best to provide educational resources on these topics, but there also needs to be an official resource that is impartial, so homeowners are well informed before even consulting an installer.

“Overall, we remain hopeful that the GHG will help us to make a dent in the decarbonisation requirements if these changes are implemented. We need more time, more training and more homeowner education to develop a sustainable heat pump industry and build consumer confidence.”

<https://www.phamnews.co.uk/call-for-extension-to-green-home-grant-scheme/>

Let us help you - with new idea's / new designs /new innovations in M&E engineering -Proposed New Build & developments.

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If you need a 15 minute brainstorming /development of idea's,. build your M&E Strategy please call to arrange that meeting.

What can I do at Christmas?



Three households* can form a temporary "Christmas bubble" from 23-27 Dec**



They can mix indoors in private homes and stay overnight



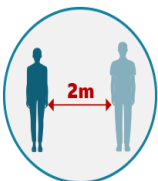
No travel restrictions in the five-day period



You can't go to a pub or restaurant with your bubble



If you have coronavirus symptoms or are self-isolating you cannot join a bubble



You can meet people outside your Christmas bubble outdoors, but only in line with rules of the tier where you are staying



*Max. 8 people in Scotland, not including under 12s

**In N Ireland 22-28 Dec



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CDB Consulting Engineers celebrate being in business now for over 10 years moving from strength to strength, with a team of engineers, the main parties who have been working within the building services industry each for over 30 years.

We all have a wide ranging experience across all types of building design which includes offices, retail, residential, schools, hospitals and all types of industrial buildings

We are working hard towards being in close partnership with our clients, design and contract team, offering advice from conceptual consultation through to full system design to ensure high-performance.

Having a wide experience, our personal and professional approach we offer to assist Architects, Developers, Main-Contractors, Local Council's and Health Authorities etc.

CDB Consulting will deliver a complete range of mechanical electrical & public health services from industrial engineering to HVAC, hot and cold water services, Steam and High temperature engineering, network distribution, power and lighting control.

Other services include fire protection, security systems, voice and data communications technologies, as well as consultations and services that focuses on energy efficiency.

CDB Consultants aim to provide optimal solutions that meet the requirements of the building and the client, recognizing the importance of energy efficiency and cost management

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We survey your dispute, take photographs, make comment against these photo's and include all these comments along with our technical information and advice in a part 35 Expert Report.

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