Dear Jenny

I am writing further to concerns about the threshold on tenders from SMEs for health construction projects which you raised in Plenary on 4 June and in your letter of 3 June.

The Designed for Life: Building for Wales initiative Framework agreements include a periodic review of the original £5 million threshold to reflect construction inflation based on national indices. In April, the Strategic Framework Board reviewed the threshold and increased it to £6 million. The threshold will be reviewed again in April 2009.

The Framework has been designed to help ensure that smaller Welsh firms and self-employed building industry workers will benefit as sub-contractors to these companies. The agreements require that supply chain partners employ local workers/sub-contractors and with regard to sustainability, they select local materials and components.

I am copying this letter to the Minister for Environment, Sustainability and Housing.