

Economy**Economy**

- Annual CPI inflation was 1.0% in September, up from a 0.6% recorded in August, according to the ONS. This was the highest rate since November 2014 and was driven by rising prices of clothing, hotel and restaurant bills and motor fuels. **The ONS stated that the increase in clothing prices was in line with seasonal trends and not due to the Sterling depreciation following the EU referendum** – the impact is unlikely to feed into the figures as yet due to retailer hedging contracts. Annual RPI inflation was 2.0% in September, up from 1.8% in August.
- According to the ONS, output prices of manufactured goods rose 1.2% year-on-year in September, up from 0.9% in the previous month, due to an increase in the prices of other manufactured products and transport equipment. The input price index for manufactured goods rose 7.2% year-on-year in September, compared with an increase of 7.8% in August. **The latest figures reflect higher prices for domestically produced food products and rising import prices for fuel and metals.**
- The unemployment rate was 4.9% in the three months to August, unchanged compared with the three months to May but lower than a rate of 5.4% recorded a year earlier, according to the ONS.
- Average total weekly earnings across the whole economy increased 2.0% year-on-year in August, according to the ONS. Earnings in manufacturing increased 2.5% year-on-year and in construction, earnings were 3.4% higher on an annual basis.
- According to the ONS, the volume of retail sales increased 4.1% year-on-year in September but remained flat compared to August, as **consumers deterred spending due to unusually warmer weather conditions during the month**, which was similarly echoed by the British Retail Consortium. By value, retail sales rose 2.9% in annual terms and were 0.1% higher over the month.
- In September, public sector net borrowing excluding temporary effects of financial interventions (PSNB ex) was £10.6 billion, according to the ONS. This was £1.3 billion higher than in September 2015, when it was £9.3 billion. Public sector net debt (PSND ex) was £1,627.2 billion in September 2016, equivalent to 83.3% of GDP. This compares to £1,587.7 billion, or 84.3% of GDP, 12 months earlier.

**Housing**

- In August, according to the ONS and Land Registry, UK house prices rose 8.4% year-on-year. By nation, house prices grew 9.2% in England, 2.7% in Wales and 4.3% in Scotland. According to region, annual house price increases in England were driven by rises in the East of England (13.3%), South East (12.2%) and London (12.1%). Overall, the average UK house price in August was £218,964. The lowest was £123,241 in North Ireland and the highest was £488,908 in London. A large proportion of these transactions would have been agreed before the EU referendum.
- The Council of Mortgage Lenders reported that total gross mortgage lending in September reached £20.5 billion. This was 7.1% lower than in August 2016 but 2.2% higher than a year earlier. In addition to this, the CML published data for Q3, which showed gross mortgage lending reached £63.6 billion, an 11.4% increase quarter-on-quarter and 4.0% higher than a year earlier. Looking ahead, **the CML anticipates a rise in remortgaging activity as record-low interest rates will encourage borrowers to refinance. In addition to this, lending for house purchases is expected to be more subdued.**
- In September, according to the HMRC, the number of property transactions in the UK totalled 93,130. This was a 4.3% decrease from August 2016 and was 11.3% lower compared to a year earlier, marking a sixth consecutive month of annual decline since April, when the additional stamp duty tax was put in place. It is likely that the majority of these transactions were agreed prior to the EU referendum.
- In September, private housing starts in Great Britain increased 13.1% year-on-year and 1.3% on a monthly basis, according to the NHBC. Completions were 11.4% higher than a year earlier and increased 20.8% month-on-month.

For further information contact [amandeep.bahra@constructionproducts.org.uk](mailto:amandeep.bahra@constructionproducts.org.uk)

Association Activities**Charity Donations for Autumn Lunch**

The CPA will once again be supporting the charity CRASH with a raffle at the Autumn Lunch. CRASH is the construction industry's charity for homeless people. They are a practical charity that focuses on improving the buildings used by homeless people. They do this by awarding cash grants, providing on-site professional expertise and supplying free building materials. We encourage our members to support this effort. If you would like to donate a prize for the raffle please contact [simon.frame@constructionproducts.org.uk](mailto:simon.frame@constructionproducts.org.uk).

### Standards Committee for Measuring and Reporting Sustainability Performance

CPA attended the meeting of BSI's national shadow committee (B/558) tracking the developments within ISO and European (CEN) standards on Environmental Product Declarations (EPD) and associated building level standards. CEN will embark on an intense period of work to improve measurement of End of Life scenarios for construction products. *For further information contact [jane.thornback@constructionproducts.org.uk](mailto:jane.thornback@constructionproducts.org.uk)*

### Property Flood Resilience Action Plan published

The [Plan](#) was commissioned by DEFRA as part of its [National Flood Review](#) and issued on the same day. CPA played a key role in the Task Group on Standards, Certifications and Skills. Find the Plan [here](#). *For further information contact [peter.cablehorn@constructionproducts.org.uk](mailto:peter.cablehorn@constructionproducts.org.uk)*

### BIM 4 REGS Meeting – 24 October (London)

A meeting of the BIM4REGS group will take place on the 24<sup>th</sup> October from 13.00 - 17.00. Some work streams have moved faster than others and the success of the health and safety group to instigate the creation of a PAS is very impressive. We hope to review the progress of [PAS 1192-6](#) and how this will help, also other areas such as building regulations, including fire, town planning and other regulatory requirements being made more efficient by use of BIM.

*For more information, please contact [julie.mills@constructionproducts.org.uk](mailto:julie.mills@constructionproducts.org.uk).*

### Relevant Authorities Workshop #2 – 07 November (London)

Our second workshop on project data management and templates will take place on the 7<sup>th</sup> November from **13.00 - 17.00 and will be held at the Building Centre, 26 Store Street, London WC1E 7BT in the Vincent Suite C**. Following on from the successful initial meeting, CPA will be hosting further events to ensure all members have the opportunity to engage and take part in the data management initiative. Following the workshop held on 18<sup>th</sup> August, work on developing the LEXiCON system and website has been underway. The software being developed by [BRE](#) has undergone several iterations and will soon be ready for testing.

The new sections of the CPA website have been drafted and are being reviewed before handing to the web designers. While the initial standard set out the system and processes a substantial amount of work has been needed to ensure admin processes, governance, protocols and practical information handling, are addressed.

Additionally we have been discussing further collaboration with other bodies in the industry to make sure we have the widest possible support. We are very pleased to note that the [UK BIM Task Group](#) are lending their support uniquely to the LEXiCON process. In addition, meetings have been held recently with CPE and the CEN working groups who were both in support of the programme. Establishing this as a European, as well as a UK process, is very much a reality. A lot of work has yet to be done and necessarily this falls to a small group of expert volunteers but significant and positive progress is being made. In the mean time we would ask all of those who take part to have a little patience while we get things up and running. We will hope to gradually open up the web site through the Autumn period.

We know there are a keen band of followers who want to become Relevant Authorities and start using the system but we do want it to work to everyone's satisfaction when we launch it. *For more information, please contact [julie.mills@constructionproducts.org.uk](mailto:julie.mills@constructionproducts.org.uk).*

### Relevant Authorities Workshop #3 - 05 December (London)

Our third workshop on project data management and templates will take place on 5<sup>th</sup> December from 13.00 - 17.00. **The workshop will be held at the Building Centre, 26 Store Street, London WC1E 7BT in the Vincent Suite C**. Further events will be organised throughout 2017. *For more information, please contact [julie.mills@constructionproducts.org.uk](mailto:julie.mills@constructionproducts.org.uk).*

### Highways UK - 16/17 November (NEC, Birmingham)

The CPA is supporting [Highways UK](#) a major event for the people and organisations involved in the planning, operation and future-proofing of the UK's road network. Sponsored and supported by [Highways England](#) together with several CPA members and numerous UK contractors, the event will provide the very latest update, insight and analysis on the emerging implications for the sector on Britain leaving the EU, including a presentation by CPA Economics Director Noble Francis. Opportunities for exhibition space and sponsorship remain. *CPA members will be given a 20% early booking discount on passes. For more information and to register please click [here](#).*

### Construction Marketing Awards – 01 December (Radisson Blu Portman Hotel, London)

The CPA is pleased to once again support the Construction Marketing Awards, a showcase of the construction industry's creativity, innovation and effectiveness in marketing. The Awards raise the profile of marketing professionals and their achievements and are an invaluable opportunity for recognition. The [shortlist](#) has just been published and includes a good number of CPA members. The winners will be announced at the gala dinner on 1st December 2016 at the [Radisson Blu Portman Hotel](#) in London. *For more information, visit the [Construction Marketing Awards](#) website.*

**New date for next SCC meeting – Friday 02 December**

The SCC meeting prior to the end of the year will now be on Friday morning 2 December. This replaces the previously notified 30 November. For further information please contact [jane.thornback@constructionproducts.org.uk](mailto:jane.thornback@constructionproducts.org.uk)

**Flooding Review #2 – 12 December (London)**

Our second workshop on resilience and flooding will take place on the 12<sup>th</sup> December from 13.00 - 17.00.

This workshop is intended to explore and showcase products that answer the key questions in response to flooding issues. We also hope to develop a little further the issues and themes raised at our initial discussion. We will also build on the recommendations of the [Bonfield review](#). For more information, please contact [julie.mills@constructionproducts.org.uk](mailto:julie.mills@constructionproducts.org.uk).

**Other Areas of Interest****Innovate 2016 – 02-03 November (Manchester)**

Innovate 2016 is happening 2-3 November at Manchester Central. Jointly hosted by Innovate UK and UKTI, Innovate 2016 brings global spotlight on UK innovation. Innovate 2016 will be bringing together 3,000 of the UK's prominent innovators to connect with export opportunities, investors, collaborators and the research base. The key themes of the programme will include Manufacturing, Cities of the Future, Healthcare and Technology. This is an opportunity for stakeholders to connect with industry leaders at the forefront of innovation. Visit the event website for more information and to register: <https://www.events.ukti.gov.uk/innovate-uk-2016>

**NEW RESEARCH: Construction Market Report: UK Healthcare Sector**

Competitive Advantage, a CPA Associate, has published *Construction Market Report - UK Healthcare Sector* which provides an impartial overview of Healthcare opportunities for the construction industry, presents the structure of private and public Healthcare in the UK, identifies key decision makers and influencers in the sector, including Clients, Architects and Main Contractors and contributes to the marketing strategy of businesses wishing to supply the Healthcare construction sector.

The report is available to purchase online: <http://cadvantage-knowledge.co.uk/shop/construction-market-report-uk-healthcare/>.

**Paris Climate Agreement – EU Ratification**

The EU has now officially ratified the Paris Agreement on Climate Change with the EU Parliament approving the decision at its plenary session on 4 October, with 610 in favour, 38 against and 31 abstentions. The Agreement will come into force on 4 November because 72 countries representing close to 57% of global greenhouse gas emissions have now ratified the Agreement.

For further information contact [jane.thornback@constructionproducts.org.uk](mailto:jane.thornback@constructionproducts.org.uk)

**Recommended Reading: CLC Report on Innovation Workstream -- Roadmapping to improve productivity, capacity and innovation in the housing sector**

The Construction Leadership Council's Innovation in buildings workstream, led by Mike Chaldecott from CPA member Saint-Gobain, aims to embed new approaches to all phases of the construction process for buildings, utilising work already in progress such as the Digital Built Britain strategy and Modern Methods of Construction (MMC). The CLC has published a report following a one-day workshop in April. The aim of the workshop was to help develop a strategic roadmap of barriers to take-up and commercialisation of Modern Methods of Construction (MMC), and develop solutions to help increase the percentage of new buildings built using, substantially, MMC. The aim is to improve productivity, capacity and the use of innovation in the housing sector by removing barriers to progress and helping the industry to move the new methods from development through to actual commercial use and thereby increase housing supply. A summary of the findings can be found [here](#) and the full report [here](#).

**BREEAM issue criteria for rating responsible sourcing schemes**

BREEAM have now issued their revised approach and criteria for assessing responsible sourcing schemes in BREEAM. This can be found at [Breeam Responsible Sourcing Credits](#). For further information please contact [jane.thornback@constructionproducts.org.uk](mailto:jane.thornback@constructionproducts.org.uk)

**Grange Hotels: Winter wonderland in the Heart of London**

With the commencement of the holiday season, the CPA's Hotel Partner, Grange Hotels, is offering a luxurious selection of event spaces. Our valued hotel partners, Grange Hotels, house a collection of venues which can be specially tailored to create your perfect winter wonderland right here in London.

For more information, contact [events@grangehotels.com](mailto:events@grangehotels.com) T: 0845 450 9900 [www.grangehotels.com](http://www.grangehotels.com)

## Parliamentary and Government Update

### **Parliamentary update**

#### **Westminster weekly business**

The finalised Westminster business document for the week commencing Monday, 24 October 2016 can be viewed [here](#)

### **Plans, Reports, Consultations and Statements**

#### **The Construction Leadership Council Website Goes Live**

Andrew Wolstenholme OBE, Co-Chair of the Construction Leadership Council has launched the CLC's new website this week. The website outlines the role of the council in being the link between construction businesses and government. To view the website, click [here](#).

#### **Mark Farmer's Review Published**

The Construction Leadership Council published Mark Farmer's independent review of the sector's labour model this week. The review examines the shortcomings of the construction labour model and shows how it has given rise to underinvestment in training and development, innovation, and in raising productivity. It concludes that workforce attrition, exacerbated by an ageing workforce, means that there is now a fundamental imperative for change. The report challenges the sector to do things differently. The full report can be viewed [here](#).

#### **Cabinet and Cabinet Committee Membership Published**

Cabinet and Cabinet Committees are groups of ministers that can take collective decisions that are binding across government. The Cabinet is the supreme decision-making body in government, dealing with the big issues of the day and the government's overall strategy. Cabinet Committees reduce the burden on Cabinet by enabling collective decisions to be taken by a smaller group of ministers. The composition and terms of reference of Cabinet Committees are a matter for the Prime Minister. The list of members can be viewed [here](#).

#### **Election Results for New Select Committee Chairs**

The Speaker announced the results of elections for select committee chairs on Wednesday 19 October:

- Culture, Media and Sport Committee (Conservative): Damian Collins, Folkestone and Hythe
- Committee on Exiting the European Union (Labour): Hilary Benn, Leeds Central
- Home Affairs Committee (Labour): Yvette Cooper, Normanton, Pontefract and Castleford
- Science and Technology Committee (Conservative): Stephen Metcalfe, South Basildon and East Thurrock
- International Trade Committee (Scottish National Party): This is in addition to Angus MacNeil, Na h-Eileanan Siar (Elected unopposed)

#### **Witney And Batley And Spennings By-Election Results**

Witney: Conservative candidate Robert Courts has been elected with 45.1% of the vote.

Batley and Spennings: Labour candidate Tracy Brabin has been elected with 85% of the vote.

#### **Autumn Statement Submission**

Chancellor of the Exchequer Philip Hammond announced he will present his first Autumn Statement to Parliament on 23 November 2016.

The CPA have submitted representation on behalf of the sector to government. To view the CPA's submission please click [here](#).

#### **National Infrastructure Commission - Call for ideas and update**

The Chancellor of the Exchequer, together with the National Infrastructure Commission (NIC) has launched a call for ideas for the NIC's future specific studies. This call for ideas is open to everyone and the Chancellor would particularly welcome views from infrastructure experts, operators, business representative groups and investors. The call for ideas is open for three weeks and the Chancellor will announce the topic of the next study or studies later this year. Further information can be viewed [here](#).

#### **Association Submission to BIS Committee inquiry re Government's Industrial Strategy**

The inquiry followed the inclusion of the term "industrial strategy" into the Department for Business's name and an indication from the new Prime Minister, Theresa May, that her government will explicitly intervene to support certain parts of the economy. The CPA's submission, made on 26 September 2016, outlines what we believe are essential areas of focus for any industrial strategy (particularly if related to construction products manufacturing and distribution) to consider. To view our submission, please click [here](#).

#### **BEIS updates tax relief criteria for energy efficient equipment**

The government's Business, Energy and Industrial Strategy (BEIS) Department has updated its guidance on energy efficiency criteria for receiving enhanced capital allowances for 40 categories of equipment widely used in residential, commercial and industrial settings.

Equipment covered in the energy technology criteria list (ETCL) range widely from heat pumps to line operated AC motors and professional refrigerated storage cabinets. A popular option for quick payback periods for small and medium sized businesses is lighting. Criteria cover time controllers switching off or dimming down, presence detectors, daylight detectors, and centralised area and network control units. For further information contact [jane.thornback@constructionproducts.org.uk](mailto:jane.thornback@constructionproducts.org.uk)

CPA in the News

- [Construction News](#): **Brexit debate exposes construction's need for long-term thinking**  
*Whether the UK experiences a 'soft' or a 'hard' Brexit, it won't change the challenges that the construction industry must address, according to three leading economists.*
- [Construction Shows](#): **Industry Flocks to UK Construction Week**  
*The final day of the UK's largest construction trade event, UK Construction Week, has been buzzing with high-level debate from some of the industry's biggest names.*
- [DOI News](#): **DOI System for the Building Industry**  
*A major research project looking at the feasibility and usefulness of the DOI System for products in the building industry has been launched in the UK.*
- [Construction News](#): **RICS: Q3 sees steady post-Referendum growth with surveyors positive on year ahead**  
*Construction saw a steady rate of growth in Q3 following June's vote to leave the EU, according to the Royal Institution of Chartered Surveyors.*
- [Smart Cities World](#): **New phase of smart infrastructure and construction**  
*Intelligent building information models, sensing technology, secure data and information infrastructure is set to improve productivity and reduce costs in construction.*
- [Stone Specialist](#): **Construction Week opens at the NEC, Birmingham**  
*UK Construction Week is underway at the NEC in Birmingham. It finished on 20 October. It combined nine exhibitions – Timber Expo, the Build Show, Civils Expo, the Surface & Materials Show, Energy 2016, Plant & Machinery Live, HVAC 2016, Smart Buildings 2016 and Grand Designs Live – with more than 650 exhibitors in total.*
- [WIREDGOV](#): **Launch of Digital Built Britain**  
*The next phase of the Building Information Modelling Task Group programme heralds a new generation of Smart Infrastructure and Construction.*

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