

## Regional Construction Hotspots Report

Responding to requests of our members, the CPA, in partnership with Barbour ABI, has produced *Regional Construction Hotspots for Great Britain 2016*, which seeks to analyse construction contract awards on a high level of regional granularity, firstly to identify pockets of growth, or hotspots, in regional activity and secondly, to offer a forward-looking indication of growth by region and by sector. One of the challenges in using such granular data is the large lags in reporting, as evidenced by the most recent macroeconomic data published by the ONS being for 2014. By using data on contracts, this will highlight construction work ahead, rather than reporting on activity in past periods that may not be relevant. The report can be found [here](#) in the “Research Papers” section of the CPA’s [Economic Publications](#). For further information, please contact [noble.francis@constructionproducts.org.uk](mailto:noble.francis@constructionproducts.org.uk).

## Economy

All the latest economic and housing data are available via the Association’s online interactive database for members. Click [here](#).

### **Economy**

- According to the preliminary estimate from the [ONS](#), UK GDP grew 0.6% on a quarterly basis in Q2, compared with growth of 0.4% in Q1. Output increased 0.5% in services and 2.1% in industrial production, but fell 0.4% in construction. In Q2, GDP was 2.2% higher compared with the same quarter a year ago and was estimated to have been 7.7% above the pre-recession peak in 2008 Q1. Please note that the preliminary estimate incorporates only 43% of the total data required for the final estimate. As a result, the estimate is subject to revisions as more data becomes available.
- According to the CBI’s [Industrial Trends Survey](#) for the three months to July, 16% of firms, on balance, reported an increase in output volumes. Looking to the next three months, a balance of 6% of firms expects output volumes to grow, signalling a slowdown similar to that highlighted in other industry surveys including the CPA State of Trade survey. On the upside, prospects for export orders have improved, with a weaker Sterling expected to provide a further boost to competitiveness in international markets.
- In July, according to the CBI’s [Distributive Trades Survey](#), 24% of respondents reported that sales volumes were up on a year ago, and 38% said they were down, giving a balance of -14%. On balance, 12% of firms expect sales volumes to decrease in August. Overall, the month’s survey reported that retail sales fell at the fastest pace in over four years, with weaker consumer confidence cited as a likely factor contributing to this decline. In addition, the decline reflects a fall in sales by grocers and furniture and carpet stores.

### **Housing**

- The number of loans for house purchase decreased 10.8% year-on-year in June and 4.2% compared with May, according to the [British Bankers’ Association](#). The value of these loans was 7.6% lower than June 2015 and 5.7% lower than a month earlier. The number of loans for re-mortgaging increased 13.2% year-on-year but fell 0.6% month-on-month. In terms of value, loans approved for re-mortgaging increased 20.9% year-on-year and rose 0.6% on a monthly basis. BBA noted that it was too early to associate this with a vote for Brexit, as other factors such as the introduction of the stamp duty surcharge in April may have played a role.
- According to [Nationwide](#), UK house prices increased 0.5% month-on-month in July and were 5.2% higher than a year ago. The average house price was reported at £205,715. Although this is the first month’s data following the EU referendum, Nationwide cautioned that it was too early to assess the impact of Brexit on the figures.
- In June, the number of mortgages approved for house purchases fell 4.6% on an annual basis and 2.9% from May, according to the [Bank of England](#). The value of these loans was 2.5% lower than a year ago and decreased 3.4% month-on-month. The number of loans for remortgaging rose 16.4% year-on-year and increased 0.6% compared to the previous month. The value of these loans increased 23.6% and 0.7% in annual and monthly terms, respectively.

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

## Association Activities

### **CPA Launch Parliamentary Reception**

We are delighted to announce The Earl Of Lindsay will host the Construction Products Association's Parliamentary Reception on Wednesday, 19 October 2016, in the Cholmondeley Room & Terrace at the House of Lords. The Reception will commence at 18.30pm and finish at 21.00pm.

With changes to the main political parties' leadership underway, including the announcement of a new Prime Minister, we expect to approach the autumn with a clearer view of the key policymakers and their priorities. It is therefore vital that members are actively engaging with their political representatives to ensure that the industry's voice is heard. The Reception will offer members and industry the opportunity to share our concerns and promote our interests with a united voice, seeking certainty in long-term policy.

In previous years we had numerous MPs and members of the House of Lords attend from across political parties. Attendance by our members has been over-subscribed; we would therefore encourage you to book as soon as possible to guarantee a place. Trade associations should also purchase tickets for your members, ensuring we have a wide representation from across the products industry.

If you would like to attend, please complete the online booking form [here](#) by Friday, 09 September 2016.

### **CPA Autumn Lunch – Sold Out**

The CPA's annual Autumn Lunch has proven more popular than ever and has sold out. A waiting list is now available for members. For more information, please contact [julie.mills@constructionproducts.org.uk](mailto:julie.mills@constructionproducts.org.uk).

### **Flooding Resilience Workshop – 03 August (London)**

The CPA has been working closely with DEFRA, DBEIS and DCLG, including senior officials and ministers, to support a review led by Dr Peter Bonfield OBE (CEO, BRE) in response to flooding and future resilience measures. As a result, the CPA will host a workshop to review procurement and appropriate use of products in response to flooding, whilst showcasing what members are currently offering and what they may be able to offer in the future. This workshop provides a substantial opportunity to network with insurers, financial organisations, and other industry bodies, as well as departmental representatives, concerned with flood risk and flooded assets of commercial, domestic and new build sectors. The CPA are calling for expressions of interest to attend and perhaps provide a short presentation of their interest and previous involvement in the subject.

Time and Location: commencing at 1.30 with registration at 1.00. Held at the Building Centre, 26 Store Street, London WC1E 7BT. Please contact [julie.mills@constructionproducts.org.uk](mailto:julie.mills@constructionproducts.org.uk) to RSVP or with expressions of interest.

### **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](#).

## Export

### **Opportunity with Qatar World Cup**

The [Global Sports Projects Team at UKTI](#) are working with the Embassy in Doha who have requested help to identify companies who could potentially find opportunities around the 2022 Qatar World Cup project. The Embassy learnt that they are looking to procure:

- Stadium Cooling Systems and equipment
- Elevators
- Firefighting systems
- Plumbing Materials
- Generators
- Electric Distribution Boards
- Sanitary Appliances

- Doors
- Seating
- Windows
- Stadium lighting – Interior/Exterior
- Landscaping – install and maintain soft landscaping

#### Security

- Networked Video Storage
- Cameras
- Hostile Vehicle Mitigation
- Security Doors
- Access Control
- Turnstiles

In addition, the Embassy have identified, for example, a need for a total solution for Steel Supply and Fabrication (4000 tons of steel are required for one of the stadiums), glass reinforced plastic for the stadium façade, interior and exterior lighting, landscaping.

To learn more, please contact [ukti.doha@fco.gov.uk](mailto:ukti.doha@fco.gov.uk) or [andrew.bacchus@ukti.gsi.gov.uk](mailto:andrew.bacchus@ukti.gsi.gov.uk).

#### Other Areas of Interest

##### **New rules for participation in Commission Expert Groups**

Based on European Commission Decision C(2016) 3301 dated 30 May 2016, establishing horizontal rules on the creation and operation of Commission Expert Groups, it will be mandatory for associations to be registered in the European Transparency Register as of 1 January 2017 if they wish to be invited to participate in expert groups. Please note that individuals already serving as members of expert groups are required to re-register as a condition of remaining a member of a particular expert group. A copy of the full European Commission Decision, C(2016) 3301 Final, can be located [here](#). If anyone has any difficulty accessing the Decision document will they please email [duncan.king@constructionproducts.org.uk](mailto:duncan.king@constructionproducts.org.uk)

##### **Isabel Martinson appointed as Executive Chairman of the Considerate Constructors Scheme (CCS)**

The Considerate Constructors Scheme is pleased to announce the appointment of Isabel Martinson as Executive Chairman, with effect from 12 July 2016. The new role of the Executive Chairman will be to further develop strategies to enhance the Scheme, by taking it 'to the next level'. The Scheme's vision is to make registration essential for every construction site, company and supplier, large or small, to ensure continual improvement in performance, leading to a step change in the image and attractiveness of construction as a sector.

##### **Fire Door Safety Week – 26 September – 2 October 2016**

This year's fire safety week commemorates the 350th anniversary of the Great Fire of London, the event which gave rise to the 'fire door'. The campaign builds on previous years, spotlighting the critical role that fire doors play in fire safety within buildings and drawing attention to common-place bad practice that risks property and lives. Support for the campaign has already been pledged from South Wales, West Midlands and London Fire and Rescue Services, as well as a significant number of companies in the door and hardware industries. Fire Door Safety Week is also backed by the Government's Fire Kills campaign, the Fire Sector Federation, the Association for Specialist Fire Protection (ASFP) and Children's Burns Trust. A number of supporters have already begun arranging events to take place during Fire Door Safety Week, including Arnold Laver, Gerda, Vetrotech, ASFP, PFPF and Lorient UK. London Fire Brigade is working with the British Woodworking Federation to deliver a fire door safety conference to its fire safety teams across London on 29 September 2016. You can pledge your support on the website via [www.firedoorsafetyweek.co.uk](http://www.firedoorsafetyweek.co.uk) or if you are interested in organising an event email [hannah.mansell@bwf.org.uk](mailto:hannah.mansell@bwf.org.uk).

##### **New Social Mobility Queen's Award**

In the Queen's 90th year, the Queen's Award for Enterprise Office recently announced the launch of a brand new Queen's Award. The Queen's Award for Promoting Opportunity is designed to encourage social mobility within business whilst recognising and rewarding organisations for the important role that they play. These are the UK's most prestigious awards bestowed by the sovereign on business. To apply visit The Queen's Award website [www.gov.uk/queensawardsforenterprise](http://www.gov.uk/queensawardsforenterprise).

### Implementation of the Construction Products Regulation CPR

A new report has been issued by the European Commission and European Parliament concerning the present state of the implementation of the CPR. In short, the report says that satisfactory progress has been made considering that it has only been fully applied since July 2013. It goes on to state that some areas show room for improvement. There are no surprises in the text so you may wish to just read Section 10 – *Conclusions, Recommendations and way forward*. A copy of the report can be accessed [here](#). If anyone has difficulties please contact [duncan.king@constructionproducts.org.uk](mailto:duncan.king@constructionproducts.org.uk).

### Innovate UK Opportunities

[Innovate UK](#) is the UK's innovation agency, an executive non-departmental public body. It offers a number of funding opportunities of interest to construction product manufacturers, including:

- [The £15m Materials and Manufacturing Competition](#)
- [The £19m Energy Catalyst Round 4](#)
- [The £15m Open Competition](#)
- [The £15m Infrastructure Systems Competition](#)

### Recommended NHBC Report: *Modern methods of construction: views from the industry*

As the UK increases its housing output, attention is focusing on modern methods of construction (MMC). Based on focus groups and a survey of 135 senior house-builder and housing association colleagues, this research looks at current levels of use of MMC in its many forms and industry views about its future. The report is available at [www.nhbcfoundation.org](http://www.nhbcfoundation.org).

### Recommended Constructing Excellence Publication: “Outcome-led Procurement”

[Constructing Excellence](#) has produced a short publication about a common-sense approach to procurement, highlighting why it's important for suppliers to understand outcomes, the pitfalls involved and suggestions for how to make the process work better. To download the document, click [here](#).

### [Parliamentary and Government Update](#)

Week Commencing 25/07/16

#### Parliamentary update

#### Westminster weekly business

Parliament rises for recess on Friday 22 July and returns on Monday 5 September 2016

#### Plans, Reports, Consultations and Statements

#### Office of Rail and Road Consultation Monitoring Highways England's Investment In The Strategic Road Network

The Office of Rail and Road published a consultation on its proposals for monitoring Highways England's investment in the strategic road network. A copy of the consultation document is available [here](#).

The consultation sets out proposals to monitor at four levels:

- Highways England's portfolio, programme and project management capability;
- monitoring portfolio management and portfolio level outcomes;
- monitoring the four investment programmes; and
- carrying out in-depth reviews of programmes and projects on a sample basis.

The consultation is opened for 10 weeks until 29 September 2016.

#### Energy and Climate Change Committee Launches Inquiry 'Leaving The EU: Implications For UK Climate Policy Inquiry'

The Energy and Climate Change Committee will explore the implications for UK climate policy of leaving the European Union. The UK's climate-change agenda has been driven by a mixture of national and international policies. Nationally, the Climate Change Act 2008 sets the UK decarbonisation agenda up to 2050. On the international stage, the UK currently negotiates as part of the EU bloc. The EU 2030 target—

the EU's proposed contribution at the recent COP21 climate change conference in Paris—was agreed by Member States in October 2014. The UK's participation in the EU Emissions Trading Scheme, which requires companies to purchase permits to emit greenhouse gases, will now be subject to negotiation. Withdrawal from the EU raises questions as to the UK's position with respect to existing EU pledges and policies, and its future interaction with the EU bloc to fight climate change.

Through this inquiry, the Committee aims to understand the implications of the UK's departure from the EU on the UK's climate-change commitments and ambitions, and determine which climate policy areas will need to be addressed during the UK's exit negotiations. It also seeks guidance on an appropriate timeline for these developments. Deadline for submissions: Monday 22 August 2016. For further information click [here](#).

#### **Communities and Local Government Select Committee: Capacity In The Homebuilding Industry Inquiry**

The Communities and Local Government Committee has launched an inquiry into the capacity of the housebuilding industry to meet demand for new homes. The Committee invites submissions of evidence on the following issues:

- whether the numbers of builders and types of firms in the homebuilding industry is sufficient to meet housing demand
- the structure of the homebuilding industry, in particular the role of small and medium-sized developers
- housebuilders' business models and how risk and uncertainty affect incentives to expand
- the sustainability, size and skills of the building industry workforce
- why fewer homes are being started and completed than the number of planning permissions being granted
- the extent to which current planning approaches cause delays to the building of new homes
- innovative approaches to increasing the housing supply, for example self-build, off-site construction and direct commissioning by central government and local housing companies
- the role of development finance and how it can promote or constrain housing investment

Deadline for submissions: 12 September 2016. For further details click [here](#).

#### **Launch of National Infrastructure Assessment Consultation**

A consultation into how the NIC plans to take forward the National Infrastructure Assessment (NIA) has been launched this week.

A central responsibility of the National Infrastructure Commission is to publish a NIA once a Parliament. This will:

- Analyse the UK's long-term economic infrastructure needs
- Outline a strategic vision over a 30-year time horizon
- Set out recommendations for how identified needs should begin to be met

The National Infrastructure Assessment Process and Methodology Consultation can be found [here](#). Responses to this consultation should be sent to [NIAEvidence@nic.gsi.gov.uk](mailto:NIAEvidence@nic.gsi.gov.uk) by 5th August 2016

#### **CPA in the News**

Financial Times - [Construction industry's low carbon commitment](#)

Warrington Guardian - [Hire firm reaches out for business with new cranes](#)

Warrington Midweek - [Large investment to boost hire firm](#)

**ENDS**