

## Construction Trade Survey

The CPA's latest Construction Trade Survey, published last week, shows that construction activity weakened in the second quarter of 2016. Net balances across the construction supply chain, including product manufacturers, building contractors and civil engineers fell to the lowest in three years as uncertainty ahead of the EU referendum impacted on sentiment in the industry. The full survey document is available [here](#). For further information, please contact [rebecca.larkin@constructionproducts.org.uk](mailto:rebecca.larkin@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 [British Retail Consortium](#), UK retail sales in July rose 1.1% on a like-for-like basis from July 2015, when they had increased 1.2% on the preceding year. On a total basis, sales increased 1.9%, compared to a 2.2% increase in July 2015. **The increase in retail sales was supported by warmer weather conditions that boosted sales of food and drink as well as clothing, which offset any immediate post-referendum uncertainty.**
- In June, according to the [ONS](#), industrial production increased 0.1% on a monthly basis and was 1.6% higher compared to a year earlier. **The annual increase mainly reflected an increase in the manufacturing sector as well as rises in water supply, sewerage & waste management, electricity, gas & air conditioning output and mining & quarrying. Manufacturing output during June decreased 0.3% month-on-month but was 0.9% higher than a year ago.**
- In June, the UK's deficit on trade in goods and services was £5.1 billion, widening from £4.2 billion in May and £2.7 billion in June 2015, according to the [ONS](#). Exports of goods decreased 1.7% year-on-year to £24.6 billion, whilst imports increased 8.2% to £37.0 billion, leaving a deficit of £12.4 billion.

### **Construction**

The [ONS](#) has published construction output data for 2016 Q2. Overall, output decreased 0.7% compared to Q1, which is a downward revision from the 0.4% fall reported in the preliminary estimate of GDP for Q2. Similarly, on an annual basis, construction output was revised down by 0.2 percentage points to a fall of 1.4% compared to 2015 Q2. **The revisions were due to the incorporation of late data. Changes across sectors are as follows:**

- All new work decreased 0.8% on Q1 and by 1.7% compared to 2015 Q2.
- Private housing output decreased 0.2% on a quarterly basis but rose 6.6% on a yearly basis.
- Public housing output decreased 6.5% and 21.7% on a quarterly and yearly basis, respectively.
- Output in the private commercial sector decreased 0.7% on a quarterly basis but increased 1.1% in annual terms.
- Industrial construction output increased 7.3% on a quarterly basis but declined 8.2% on an annual basis.
- Infrastructure output fell on a quarterly basis by 3.7% and by 10.1% compared to 2015 Q2.
- Public non-housing output increased over the quarter by 2.4% but remained flat on a yearly basis.
- Public housing repair maintenance and improvement (RM&I) output decreased 2.6% on a quarterly basis and 4.8% over the year.
- Private housing RM&I decreased 1.4% and 0.9% on a quarterly and yearly basis, respectively.
- Non-housing R&M output increased 0.9% quarter-on-quarter and 0.5% year-on-year.

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## Association Activities

### **Circular Economy Initiatives**

CPA had meetings this week with two separate initiatives on the circular economy. One from an academic consortium who have won funding to develop tools for evaluating materials in construction and demolition, and the other from the London Waste and Recycling Board who are writing an Action Plan for London on the circular economy. We are giving consideration to potential collaborations if valuable to members. For further information contact [jane.thornback@constructionproducts.org.uk](mailto:jane.thornback@constructionproducts.org.uk)

### **Build4Quality - 28 September (BRE Watford)**

The CPA is supporting BRE's Build4Quality Conference, which seeks to define quality homes and developments, beyond what a recent Parliamentary committee called 'zero-defects construction', and how that relates to sustainability. It will examine the market for quality homes, revealing why major developers are investing in sustainability. It will explore how architects, developers and contractors should design, specify and deliver homes that meet customer expectations. Jane Thornback, the CPA's Sustainability Policy Adviser, will speak re the business case for choosing sustainable products & materials. CPA members are entitled to a 20% discount on the standard £120 ticket (quote "CPA20" when registering). For further information and to register, click [here](#).

### **UK Construction Week - 18-20 October 2016 (NEC, Birmingham)**

The CPA is pleased to join many of its members and industry partners in supporting [UK Construction Week](#), the UK's largest construction trade event which unites over 650 exhibitors with an audience of over 24,000 trade visitors. UK Construction Week (UKCW) consists of nine shows: Timber Expo, Build Show, Civils Expo, Plant & Machinery Live, Energy 2016, Smart Buildings 2016, Surface & Materials Show and HVAC 2016 running from 18-20 October and Grand Designs Live which is open to the trade on 19-20 October. The CPA's team will be participating in a several panel discussions, including the keynote, sustainability, innovation and Grand Designs Live. Registration for the event is free; please click [here](#).

### **CPA Launch Parliamentary Reception -- Nearly Sold Out - 19 October (House of Lords)**

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. Only 20 places remain.

### **CPA Autumn Lunch -- Sold Out - 03 November (London)**

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).

### **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](#).

## Other Areas of Interest

### **Official London Hotel Partner for CPA**

The CPA reminds members of our official hotel partner, [Grange Hotels](#). As London's leading independent hotels, Grange Hotels prides itself on providing exquisite accommodation, hospitality and events services, with seventeen 4 and 5-Star properties located across the heart of the capital. Featuring beautifully-styled bedrooms, sumptuous bars and restaurants, flexible meetings and events space and state-of-the-art spa and fitness facilities, Grange Hotels skilfully combines contemporary luxury with a wealth of history and local tradition. For guests that require overnight accommodation for the Lunch, please click [here](#) to take advantage of specially discounted rates across 17 Hotels in London. As an additional member benefit, CPA members can use these discounted rates throughout the year and also take advantage of discounted meeting room rates. For further information please contact [matthew.hawkins@grangehotels.com](mailto:matthew.hawkins@grangehotels.com).

### **Innovate UK funding opportunities**

The CPA works closely with [Innovate UK](#), the UK's innovation agency, an executive non-departmental public body sponsored by the [Department for Business, Energy & Industrial Strategy](#). We encourage members to monitor Innovate UK's website, which frequently offers a number of [funding opportunities](#) related to manufacturing and materials of interest to construction product manufacturers and distributors. Businesses and research organisations can apply to funding competitions to help them develop their innovations.

### **Innovate 2016 - 02-03 November (Manchester)**

This is an annual, two day event sponsored by UKTI and Innovate UK showcasing the very best of innovation talent and global opportunities for businesses. There are free opportunities to apply for exhibition tables for your product or material (new, innovative, disruptive, niche market creating, global impacting potential ideas and demonstrators). To apply click [here](#). For additional information about the event, please click [here](#).

### **8<sup>th</sup> Annual Scottish Capital Investment and Infrastructure conference - 23 November 2017 (Edinburgh)**

The annual conference held by Mackay Hannah, will provide the opportunity for delegates to examine the opportunities and challenges presented by the Scottish Government's commitment to deliver almost £20 billion of investment in the infrastructure programme over the next five years. There will also an opportunity to explore what the strategic aims and drivers are as well as the investment sectors and hurdles. The keynote speaker for the event will be Keith Brown MSP, Cabinet Secretary for the Economy, Jobs and Fair Work Scottish Government. For additional information about the event, please click [here](#).

### **Intellectual Property and BREXIT**

The Intellectual Property Office has produced a short e-guide concerning the future of many Intellectual Property Agreements (IPAs) and UK rights holders. This covers Trademarks, Designs, Patents, Copyright and continued enforcement of IPAs. This can be found by clicking [here](#). If anyone has difficulty opening this link please contact [duncan.king@constructionproducts.org.uk](mailto:duncan.king@constructionproducts.org.uk)

### **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)

### **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. Fire Door Safety Week is 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).

## Parliamentary and Government Update

Week Commencing 08/08/16

### 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**

##### **Apprenticeship levy- funding Announcement**

The new skills minister Robert Halfon has published proposals for a new funding model for apprenticeships and further details on the apprenticeship levy. The new proposals are significant for **smaller employers** in that they suggest that employers that are too small to pay the levy will have 90 per cent of the costs of training paid for by the government. Additionally under the proposals, extra funding for young apprentices **aged 16-18 as well as young care leavers and those with an EHC plan** will be provided worth an additional £2,000. For full details of the Government's proposals, please click [here](#).

The Government is also inviting employers and training providers to have their say on the initial funding proposals. For full details and to **complete the survey (by 5 September)** please see [here](#).

##### **Sir Charlie Mayfield led Productivity Leadership Group (PLG)**

The Sir Charlie Mayfield led Productivity Leadership Group (PLG) have published a report titled '*How Good is Your Business Really? Raising our ambitions for business performance*'. The report can be viewed [here](#). The report lays out a roadmap for driving up productivity. The PLG are actively looking for businesses to engage with on taking the report forward so please consider responding directly to them. The PLG worked together to develop a business-led approach to enhance productivity across sectors and within workplaces. It consisted of business leaders, who led on productivity challenges in the following areas: leadership & management, better workplace practices, retail sector, digitisation of industry, creative industry sector, talent retention in food & drink and productivity measurement.

More information can be obtained at: <https://howgoodisyourbusinessreally.co.uk/get-involved/>.

##### **Jesse Norman MP Named as Construction Minister**

Jesse Norman MP (MP for Hereford & South Hereford) has been given ministerial responsibility for construction and infrastructure. His role will also include ministerial responsibility for rail supply chains, technology, and assisting the energy minister Baroness Neville-Rolfe with nuclear policy.

##### **Business, Innovation and Skills Select Committee: BIS Committee launches inquiry into Government's Industrial Strategy**

The Business, Innovation and Skills Committee (BIS) has launched an inquiry into the Government's industrial strategy. The inquiry launch follows 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 Committee will consider what the Government means by industrial strategy and questions how interventionist in the free market it should be. It will also look at the industrial strategies of previous governments and of other countries to see if there are any lessons to be learnt. The Committee is inviting written submissions, sent via the Committee's [website](#) by Tuesday 27 September 2016, on the following:

1. What does the Government mean by industrial strategy, and what does the private sector want from one?
2. How interventionist in the free market should Government be in implementing an industrial strategy, for example in preventing foreign takeovers of UK companies?
3. What lessons can be learnt from:
  - Previous governments' industrial strategies?
  - Other countries' attempts to develop industrial strategies?
4. What tensions exist between the objectives of an industrial strategy and the objectives of other policies, and how should the Government address these tensions?

5. What are the pros and cons of an industrial strategy adopting a sectoral approach?
  - Should the Government proactively seek to 'pick winners'?
  - What criteria should be used to identify which sectors are supported?
  - Should the Government prop up traditional industries that it considers to be in the national interest?
  - If not a sectoral approach, should the industrial strategy have a broader objective, such as improving productivity?
6. Should the industrial strategy have a geographical emphasis?
  - How should an industrial strategy link with devolution initiatives aimed at devolving taxation and decision making away from Westminster?
  - What examples are there of interventions from central Government that have successfully supported economic growth away from London and the South East of England?
  - How should the industrial strategy work with local authorities and Local Economic Partnerships, reconciling a U.K.-wide strategy and local, regional and devolved nations' priorities?

#### **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](#).

## CPA in the News

[News EN for Business](#) - Construction product sales show signs of life

[CNplus.co.uk](#) - London deputy mayor for transport joins stellar CN Summit lineup

[The Guardian](#) - UK house price growth slows after Brexit vote – business live

**ENDS**