

## Economy

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- According to the ONS, annual CPI [inflation](#) was 0.6% in July, up from 0.5% in June **due to a rise in prices of motor fuels, alcoholic beverages and accommodation services**. Annual RPI inflation rose to 1.9% in July from 1.6% in June.
- According to the ONS, [output prices](#) of manufactured goods increased 0.3% year-on-year in July compared with a fall of 0.2% recorded in the previous month. **This was the first annual increase since June 2014 and was mainly driven by an increase in the price of manufactured products as well as transport equipment**. The input price index for manufactured goods increased 4.3% year-on-year in July, compared with a fall of 0.5% in June, **primarily reflecting higher import prices triggered by the recent Sterling depreciation**.
- According to the ONS, the UK [unemployment](#) rate fell to 4.9% in April to June, compared to 5.1% in the three months to March and down from 5.6% a year earlier.
- In June, [average weekly earnings](#) increased 2.2% in annual terms but fell 0.1% compared with the previous month. Earnings in the manufacturing sector increased 1.7% year-on-year but fell 0.2% on a monthly basis. In construction, earnings were 7.0% higher on a yearly basis but declined 3.6% on a monthly basis.
- According to the ONS, the volume of [retail sales](#) increased 5.9% year-on-year in July and was 1.4% higher than in June. By value, retail sales increased 3.6% in annual terms and were 1.6% higher over the month. **The strong growth in retail was supported by warmer weather conditions that boosted sales for clothing and footwear, and most likely benefited from the recent Sterling depreciation, which may have encouraged higher spending by foreign tourists**.
- Public sector net borrowing excluding temporary effects of financial interventions (PSNB ex) recorded a surplus of £1.0 billion in July, according to the [ONS](#). This was £0.2 billion lower than in July 2015, when it registered a surplus of £1.2 billion. Public sector net debt (PSND ex) was £1,604.2 billion in July 2016, equivalent to 82.9% of GDP. This compares to £1,568.9 billion, or 83.8% of GDP, a year earlier.

### Housing

- In June, according to the [ONS and Land Registry](#), UK house prices rose 8.7% in annual terms. By nation, house prices grew 9.3% in England, 4.9% in Wales and 4.6% in Scotland. According to region, annual house price increases in England were driven by rises in the East of England (14.3%), London (12.6%) and the South East (12.3%). Overall, the average UK house price in June was £213,927. The lowest was £124,470 in North East and the highest was £472,204 in London. **Although house prices have continued their upward trajectory, the strength of growth has slowed in recent months with key indicators reflecting a weakening in both supply and demand**.
- In July, private housing starts in Great Britain decreased 29.5% year-on-year and 24.1% on a monthly basis, according to the NHBC. Completions were 2.2% lower than a year earlier and fell 41.8% month-on-month. **The fall in activity over the month is largely in line with the usual summer seasonal slowdown**.

### Construction

- According to the [ISSB](#), UK steel production totaled 149.2 thousand tonnes per week in July, an annual fall of 27.3% but a 13.1% increase month-on-month.

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## Association Activities

### **Digitalisation Relevant Authorities Workshop**

The first developmental relevant authorities workshop was held on 18th August at the Building Centre. Those attending saw presentations from CPA and BIM4M2 outlining progress made to date, explaining the establishment of the relevant authorities in order to create uniform data format and content for the sector.

In order to unify approaches to date, a consortium of CPA, BIM4M2, CIBSE and NBS set up a working group at the turn of the year. This was followed by the publication in April of the [Product Data Standard](#) (a free download from both the CPA and the BSI BIM Task group website). This standard establishes the principle of relevant authorities, mainly trade bodies and industry representative groups, who establish the data templates for their sector. Governance is provided by the CPA who are also keeping the UK BIM Alliance apprised of progress.

The workshop was seeking views to ensure the scheme when rolled out completely matches industry needs and expectations.

In the forthcoming weeks the CPA website will contain a new section for relevant authorities allowing access to software being developed by BRE which will offer easy and consistent development of sector templates. **The software, christened LEXiCON**, also is seeded with industry terms to allow common language to be used from the start.

The aim is to develop a common system useable by the whole products sector. However, it is not limited to manufacturing and the same approach will be rolled out to be used in connection with processes. Additionally, the working group have started discussions with CEN BIM working committees who are keen to include the new process in the developing European BIM standards.

It is hoped the new web facility will be launched by mid-September and further workshops are planned for November and the turn of the year, to ensure everyone has the opportunity to get involved.

This is one of a series of measures CPA have planned to ensure full support for digitalisation that will be launched in the coming months, to allow all members to take full advantage of the new technology. CPA are delighted to learn that the UK BIM Task group see the LEXiCON system as the preferred approach for the construction manufacturing sector.

The presentations from the workshop will be posted on the CPA website site shortly.

For further information contact [peter.cablehorn@constructionproducts.org.uk](mailto:peter.cablehorn@constructionproducts.org.uk) or [duncan.king@constructionproducts.org.uk](mailto:duncan.king@constructionproducts.org.uk).

Dates for future workshops will be announced in weekly notes.

### **Supply Chain Meeting with Transport for London – 29 September (London)**

Following the success of previous meetings, the CPA have organised another opportunity for members to meet with TfL executives and learn about its programme for development, procurement process and how to become a supplier for this major client. The meeting is scheduled for Thursday, 29 September from 2-4:30pm (registration beginning at 1:30pm) and will take place in the basement conference rooms of the Building Centre in London.

We strongly recommend that members avail themselves of this opportunity. Please register your interest with [simon.frame@constructionproducts.org.uk](mailto:simon.frame@constructionproducts.org.uk) or contact [jeff.may@constructionproducts.org.uk](mailto:jeff.may@constructionproducts.org.uk) with any questions.

### **CPA's Sustainability Policy Group "the SCC" – 22 September 2016**

The SCC will next meet on the morning of 22 September in London. If you would like to attend please rsvp to [julie.mills@constructionproducts.org.uk](mailto:julie.mills@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 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****EU framework of indicators for the environmental performance of buildings – consultation**

This EU Public Consultation looks at the first draft proposals for indicators for the 'development of a common EU framework of indicators for the environmental performance of buildings'. It has been prepared by the Joint Research Centre (JRC) of the European Commission. The proposals are based on the findings from a broad initial scoping of experience in performance improvement and measurement across Europe. Deadline for comments is 7th October, so there will be an opportunity to discuss with CPA members at the SCC meeting on 22 September prior to any submission we might make.

The background documents for the consultation can be found here: [http://susproc.jrc.ec.europa.eu/Efficient\\_Buildings/documents.html](http://susproc.jrc.ec.europa.eu/Efficient_Buildings/documents.html)

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

## Parliamentary and Government Update

### Parliamentary update

#### Westminster weekly business

Parliament rose 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/>.

#### 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:

### CPA in the News

[RCI: Roof Cladding & Insulation](#): Post-Brexit: Regulations & standards

[HbD: Housebuilder & Developer](#): Skills, investment and Brexit all on the agenda at UK Construction Week

[Plant Technology](#): Brexit on the Agenda at UK Construction Week

[CN: Construction News](#): Crown Estate head of development joins stellar CN summit line-up.

[RIBA Journal](#): Construction's in recession – isn't it?

\* Subscription may be required to view article

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