

Economy

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According to the [ONS](#), UK GDP growth in 2016 Q2 was unrevised from the preliminary estimate of 0.4% on a quarterly basis and 2.2% on an annual basis. In 2016 Q2, construction output decreased 0.7% quarter-on-quarter, a downward revision of 0.3 percentage points from the preliminary estimate. In line with the construction output data released two weeks ago, this was a second consecutive quarter of decline, which suggests that the construction sector entered a technical recession. On an annual basis, construction output fell 1.4%. Quarterly growth rates for industrial production (2.1%) and services (0.5%) were unchanged from the preliminary estimate.

- According to the [ONS](#), in 2016 Q2, business investment increased 0.5% compared with the previous quarter but was 0.8% lower compared to a year earlier. The monthly increase reflected an increase in investment in transport equipment.
- According to the CBI's [Industrial Trends Survey](#) for the three months to August, 11% of firms, on balance, reported an increase in output volumes, down from 16% reported in the three months to July. Looking to the next three months, a balance of 11% of firms expects output volumes to grow. Whilst manufacturing output continued to expand, albeit at a slower pace, export orders strengthened, primarily due to past falls in Sterling, which have begun to feed through to overseas demand.
- In August, according to the CBI's [Distributive Trades Survey](#), 35% of respondents reported that sales volumes increased compared to a year ago, and 26% said they had decreased, giving a balance of 9%. On balance, 3% of firms expected sales volumes to increase in September. Retailers noted that sales growth during the month, particularly for clothing, were underpinned by the summer weather. Furthermore, the CBI signalled a potential slowdown in household spending as the recent fall in Sterling begins to translate into higher prices of imported goods.

Housing

- In July, the number of property transactions in the UK totalled 94,550 according to [HMRC](#). This was a 0.9% decrease from June 2016 and was 8.3% lower compared to a year earlier. In addition to slower activity over the Summer months, the fall in transactions during July reflects the lingering effects of the stamp duty changes earlier in April, when transactions for buy-to-let properties were brought forward. It is likely to be too early to attribute slower activity to the uncertainty created by the EU referendum.
- In England, private housing starts totalled 31,000 in 2016 Q2, 3.6% higher quarter-on-quarter and 10.2% higher than 2015 Q2, according to [DCLG](#). Private completions increased 3.2% from Q1 to 27,910 and were 2.7% higher than one year earlier. Public housing starts totalled 5,410, 5.7% lower than Q1 and 11.7% lower than in 2015 Q2. On a quarterly basis, public completions increased 25.2% to 7,010 in Q2 but decreased 18.0% on an annual basis.
- According to the [British Bankers' Association](#), the number of mortgages approved for house purchase in July decreased 18.6% year-on-year and was 5.3% lower compared to June. The value of these loans decreased 17.6% from a year earlier and 7.5% month-on-month. The number of loans for re-mortgaging rose 6.0% on an annual basis but decreased 4.3% from June. The value of these loans increased 12.6% year-on-year but was 4.9% lower over the month. The latest data are the first for a full month following the EU referendum, but the BBA considered that it was too early to assess the impact of the outcome on borrowing patterns.
- The [Council of Mortgage Lenders](#) reported that total gross mortgage lending in July reached £21.4 billion. This was 0.6% lower than in June 2016 and 0.9% lower than a year earlier. Looking ahead, the CML considers that the effectiveness of the Bank of England's new Term Funding Scheme (TFS), which aims to help the recent cut in Bank Rate to filter into consumer lending, will be dependent on how borrower demand is affected by wider economic conditions.

Association Activities

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. 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'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.

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. 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](#).

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 or contact jeff.may@constructionproducts.org.uk with any questions.

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 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.

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

HSE Launches new strategy and a call for information

The HSE have launched their new strategy under the title of 'Helping Great Britain Work Well' they describe this as Health and Safety for the 21st Century.

There are six themes acting together; Supporting Small Employers, Tackling ill Health, Keeping Pace with Change, Managing Risk Well, and Sharing Our Success.

See the [HSE website](#) for a full outline of the strategy.

The HSE is very keen that, as the programme is developed, they base their thinking on evidence and hope that a significant part of that can be supplied by industry. They have collected a range of information about current behaviours across the industry but feel that the best people to provide further detail are those dealing with issues on a daily basis. They have started with a list of activities that they would like to explore the risk profile based on real evidence. The hope to develop a better understanding of what causes accidents and develop responses that can help everyone avoid them in future. Their initial analysis shows that materials handling and delivery to sites is at the top of the list for injury across the industry. The HSE are interested in any information around this area, both negative and positive. Their main areas of interest are with regards to manual handling, mechanical handling, unloading and loading by an individual or a team.

Any information can be entirely anonymous as long as the HSE can be sure that the **information is factual and not anecdotal**.

For further information, please contact Peter Caplehorn at peter.caplehorn@constructionproducts.org.uk or you can contact the HSE directly by emailing Bethan Slater Bethan.slater@hse.gov.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

The CPA supported the Brick Development Association and Builders Merchants Federation in [rebutting misleading information](#) published this week regarding brick supply.

Construction News: Val Shawcross, Bam, Mace and GPE chiefs plus 2016 Construction KPIs and client speed-dating at CN Summit 2016.

- *The Summit features streams on skills and technology, the best speaker line-up of any construction conference and the launch of the 2016 Construction KPIs.*

Financial Times: Commercial property market hit by Brexit vote.

- *Britain's commercial property market has been hit hard by the vote to leave the EU, with purchases falling for the first time in three years.*

Furniture and Joinery Production: Timber Expo all set for October.

- *An important event in the timber industry's calendar, Timber Expo, returns as part of UK Construction Week and will take place from 18-20th October at the NEC in Birmingham.*

ENDS