

Economy

State of Trade Survey for 2016 Q3

The State of Trade Survey for 2016 Q3 has been published today. Construction product manufacturers painted a largely positive picture for sales in Q3, which marked a fourteenth consecutive quarter of growth. On the heavy side, a balance of 26% of firms reported an increase in sales during the quarter, down from 52% in Q2. Half of light side firms reported a rise in product sales, up from 38% in the previous quarter. This was the first survey covering the post-referendum period and forward-looking indicators signalled a positive outlook for the next quarter and year ahead.

Economy

- The Markit/CIPS PMI for [manufacturing](#) was 55.4 in September, up from 53.4 in August. The latest reading was above the no-change mark of 50, **indicating that manufacturing activity expanded, and was the highest since June 2014**. Manufacturers reported that **growth in new orders was driven by the domestic market and higher demand from overseas**, supported by the weaker Sterling exchange rate.
- The Markit/CIPS PMI for [construction](#) was 52.3 in September, up from 49.2 in August and above the no-change mark of 50 for the first time in four months, indicating that construction activity expanded. **The return to growth was supported by a recovery in residential building, as well as an increase in civil engineering activity reflecting improved sentiment**. Commercial construction activity declined for a fourth consecutive month. **Looking at the year ahead, construction firms signalled improved optimism regarding the outlook**.
- The Markit/CIPS PMI for [services](#) was 52.6 in September, down from 52.9 in August. Although the latest reading remained above the no-change mark of 50, which indicates growth, the rate of expansion slowed. Similar to the manufacturing sector, **the latest survey reflected new business inflows, particularly from overseas. However, input prices accelerated at the fastest pace in nearly four years due to upward pressure from the weak Sterling exchange rate**.
- The price of Brent Crude oil averaged \$46.2 per barrel in September, an increase of 0.1% on a monthly basis but 2.2% lower compared to September 2015, according to the [World Bank](#).
- In September, the Sterling/US Dollar exchange rate averaged 1.31, according to the [Bank of England](#). This was 0.3% higher month-on-month but depreciated 14.3% on an annual basis. Against the Euro, the Sterling averaged 1.17, a 0.3% increase compared to August but 14.2% lower than a year earlier.
- In August, according to the [ONS](#), industrial production decreased 0.4% on a monthly basis but was 0.7% higher compared to a year earlier, reflecting rises in the water supply, sewerage and waste management and manufacturing sectors. Manufacturing output during August increased 0.2% month-on-month and was 0.5% higher year-on-year, **driven by growth in the transport equipment sector**.
- In August, the UK's deficit on trade in goods and services was £4.7 billion, widening from £2.2 billion in July and £3.3 billion in August 2015, according to the [ONS](#). Exports of goods increased 10.6% year-on-year to £25.8 billion, whilst imports increased 13.0% to £37.9 billion, leaving a goods deficit of £12.1 billion.

Housing

- According to [Halifax](#), UK house prices increased 5.8% year-on-year in September and were 0.1% higher than in August. However, in Q3, house prices fell 0.1% quarter-on-quarter. The average UK house price in August was £214,024. The latest figures show that annual house price growth has continued moderating since March 2016 amid weakening demand from rising affordability issues. **Looking forward, Halifax expects house price growth to continue, supported by low mortgage rates and a shortage of properties on the market**.

Construction

- According to [BEIS](#), the construction material price index for all work increased 1.3% in the year to August and rose 0.7% on a monthly basis. Construction materials prices for new housing, other work and repair and maintenance rose 2.1%, 1.1% and 1.9%, respectively, in the year to August. In the 12 months to August, the materials reporting the largest price increases were imported sawn or planed wood, sanitaryware and fabricated structural steel.

For further information contact amandeep.bahra@constructionproducts.org.uk

Association Activities

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](#).*

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.*

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*

Circular Economy - the theme of the Bathroom Manufacturers Association annual event

More than 150 people collected at the Belfry in Wishaw for the annual two day Bathroom Manufacturers gathering. A BIM workshop was held on the first day followed on Day Two with a full day on the circular economy with a range of external speakers including a presentation from CPA's Jane Thornback. *For further information contact jane.thornback@constructionproduct.org.uk*

Official London Hotel Partner for CPA

The CPA reminds members of our official hotel partner, [Grange Hotels](#). As London's leading independent hotels. For guests that require overnight accommodation for the Autumn Lunch or other business in London, 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 or simon.frame@constructionproducts.org.uk*

BRE Conference on Home Quality and Sustainability

CPA gave a presentation on the topic of what is a sustainable product at BRE's conference on housing and quality. Sustainability means different things to different people – low carbon, local sourcing, recycling etc, hence the need for life cycle assessment and responsible sourcing certification. *For further information contact 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@construcitonproducts.org.uk*

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. In addition, members are invited to join a CPA networking lunch scheduled for Thursday 20th October at UKCW; for further information, please contact jeff.may@constructionproducts.org.uk

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. Less than 10 places remain.

BIM 4 REGS Meeting – 24 October (London)

A meeting of the BIM4REGS group will take place on the 24th October from 1.00 - 5.00.

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. Equally review 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.

CPA Autumn Lunch - Sold Out - 03 November (The Brewery, 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.

Relevant Authorities Workshop #2 – 07 November (London)

Our second workshop on project data management and templates will take place on the 7th November from **1.00 - 5.00 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 18th 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. Additionally 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.

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 Construction Marketing Awards](#) are **FREE to enter and you may enter any number of categories**. Entries must be received before the closing date of the 23rd September 2016. 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

Relevant Authorities Workshop #3 - 05 December (London)

Our third workshop on project data management and templates will take place on 5th December from 1.00- 5.00. **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.

Flooding Review #2 – 12 December (London)

Our second workshop on resilience and flooding will take place on the 12th December from 1.00 - 5.00.

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.

Other Areas of Interest

NEW RESEARCH: Health & Wellbeing in Specification

CPA Associate Competitive Advantage launched a new report, *Health & Wellbeing in Specification*, which presents the role of Health and Wellbeing in design and its influences on product specification. 150 Architects were interviewed, providing insight into how they are designing to achieve Health & Wellbeing in buildings. The report aims to help the manufacturer understand specification influences. It also includes a summary of Health & Wellbeing issues to help those new to the concept.

The report is available to purchase online [here](#). Cost of the report is £350 + VAT. For more information, please contact helen@cadvantage.co.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

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 T: 0845 450 9900 www.grangehotels.com

Parliamentary and Government Update

Parliamentary update

Westminster weekly business

The finalised Westminster business document for the week commencing Monday, 10 October 2016 can be viewed [here](#)

Plans, Reports, Consultations and Statements

Labour Party Reshuffle

The Labour Party has confirmed a number of changes to the shadow cabinet:

- Diane Abbott replaces Andy Burnham as shadow home secretary.
- Baroness Chakrabarti has been appointed as shadow attorney general.
- Nia Griffith replaces Clive Lewis as shadow defence secretary.
- Clive Lewis has been appointed as shadow secretary for business, energy and industrial strategy. He takes over the role from Jon Trickett who remains as shadow Lord President of the Council and Labour's national campaigns co-ordinator.
- Keir Starmer replaces Emily Thornberry as shadow Brexit secretary. Thornberry remains as shadow foreign secretary.
- Jonathan Reynolds has been appointed as shadow economic secretary to the Treasury.
- Sarah Champion replaces Angela Rayner as shadow women and equalities minister. Rayner remains as shadow secretary of state for education.
- Dawn Butler has been appointed as shadow minister for Black and Minority Ethnic communities.
- Jo Stevens replaces Paul Flynn as shadow secretary of state for Wales. Flynn remains as shadow leader of the House of Commons.
- Nick Brown was appointed as chief whip, replacing Rosie Winterton.

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](#).

CPA in the News

- [Blue and Green](#): **Assemble Bring Turner Prize Winning Art Ecobuild To 2017 Show**
Assemble, the Turner Prize-winning architects will headline Ecobuild 2017 showcasing their award winning Granby project to the show as part of an immersive new experience.
- [Facilities Management Journal](#): **Ecobuild 2017 to showcase new city style format**
Turner Prize-winning architects Assemble are to headline Ecobuild 2017 bringing its award winning Granby project to the show as part of an immersive new experience.
- [Financial Times](#): **UK construction bounces back after Brexit shock**
Activity in the construction sector expanded unexpectedly in September, for the first time since May, providing further evidence that the UK economy has bounced back from the initial shock of the Brexit vote.
- [KBB Daily](#): **Round-up: Bathroom & Kitchen Business Conference 2016**
Jane Thornback was speaking among more than 200 delegates attended the 2016 Bathroom Manufacturers Association – BMA – Bathroom & Kitchen Business Conference, which took place at the Belfry Hotel in Sutton Coldfield on Tuesday 4th October.

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