

Economy

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- The Markit/CIPS PMI for [manufacturing](#) was 54.3 in October, down from 55.5 in September. The latest reading was above the no-change mark of 50, indicating that manufacturing activity expanded. **This was due to a rise in new orders, reflecting higher demand from both domestic and export clients.** Overall, the impact of the Sterling depreciation on purchasing costs was a major feature of the survey, with 90% of firms making reference to this. **Although the weakness in the exchange rate boosted exports, it also drove the cost of raw materials up, which experienced its sharpest increase in the 25-year survey history.**
- The Markit/CIPS PMI for [construction](#) was 52.6 in October, up from 52.3 in September and above the no-change mark of 50 that separates growth from contraction. The latest reading indicated that construction activity expanded, driven by an increase in residential building work. Meanwhile, commercial construction stabilised, whilst civil engineering activity reported a modest fall. Furthermore, **respondents reported that input costs rose at the highest pace in more than five years due to the weaker Sterling.**
- The Markit/CIPS PMI for [services](#) was 54.5 in October, up from 52.6 in September and above the no-change mark of 50, indicating that services activity expanded. The latest reading signalled the fastest rate of expansion since January due to a rise in incoming new business, reflecting higher overseas demand amid a weaker Sterling. **Similar to the manufacturing and construction sectors, inflationary pressures were also cited in services.**
- The price of Brent Crude oil averaged \$49.7 per barrel in October, an increase of 7.7% on a monthly basis and 3.3% higher compared to October 2015, according to the [World Bank](#).
- According to the [Bank of England](#), the Sterling/US Dollar exchange rate averaged 1.23 in October, the lowest since March 1985. This was 6.2% lower month-on-month and depreciated 19.6% on an annual basis. Against the Euro, the Sterling averaged 1.12, the lowest since March 2010. This was a 4.5% decrease compared to September and was 18.1% lower than a year earlier.

Housing

- In October, UK house prices increased 4.6% on an annual basis, whilst no growth was recorded over the month for the first time since July 2015, according to [Nationwide](#). The average house price was reported at £205,904. According to Nationwide, housing **market indicators remained relatively subdued, partially due to the lingering effects of the stamp duty changes introduced in April, as well as other policy changes impacting buy-to-let demand.**
- In September, the number of mortgages approved for house purchase decreased 9.6% on an annual basis but rose 3.2% compared to August, according to the [Bank of England](#). The value of these loans was 9.0% lower than a year ago but increased 6.1% month-on-month. The number of loans for remortgaging increased 3.3% year-on-year and 5.1% compared to August. The value of these loans increased 8.5% on a monthly basis and 4.1% on an annual basis. **The increase in mortgage approvals over the month comes after three consecutive months of falls, in line with recent data from the BBA.**

Construction

- According to [BEIS](#), the construction material price index for all work increased 1.3% in the year to September but fell 0.7% on a monthly basis. Construction materials prices for new housing, other work and repair and maintenance rose 1.9%, 0.6% and 2.1%, respectively, in the year to September. **In the 12 months to September, the materials reporting the largest price increases were imported sawn or planed wood, sanitaryware and electric water heaters.**

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

Association Activities

CPA Announces New Staff Appointments

We note that Jonathan Bloom, CPA's Public Affairs Manager, will be leaving the Association on Friday, 11 November to pursue an excellent opportunity in the hospitality industry. During his three years with the Association, Jon helped the CPA and its members gain greater recognition and understanding with MPs, civil servants and other policy-makers. We're very appreciative for his hard work over the past three years, and for leaving us in a stronger position with key stakeholders in this time of uncertainty. We wish Jon well in his future endeavours.

Due to this departure, there has been a restructuring within the team and we are pleased to announce the promotion of Jeff May to Head of External Affairs. Jeff will be assuming Jonathan's responsibilities with our political stakeholders. We would also like to welcome to their new roles Emma Salmon as the Marketing & Communications Executive and Simon Frame as the Marketing & Events Executive.

CPA Welcomes New Affiliate Members and Associates

The Association is very pleased to welcome new members, including:

- [ACO](#) (as a new Affiliate Member)
- [Alumasc](#) (as a new Affiliate Member)
- [H+H](#) (as a new Affiliate Member)
- [Icopal](#) (as a new Affiliate Member)
- [NMBS](#) (as a new Affiliate Member)
- [SFL Flues & Chimneys](#) (as a new Affiliate Member)
- [Tobermore](#) (as a new Affiliate Member)

In addition, we are very fortunate to have a number of new Associates join us, all of which offer services to the wider CPA membership:

- [AdStorm](#)
- [MRA Marketing](#)
- [Scott Pallets](#)
- [SRS Recruitment Solutions](#)
- [XPO Logistics](#)

CPA Hosts Autumn Lunch

CPA this week hosted its annual Autumn Lunch for approximately 650 members and guests, who've told us that it was a great success and an excellent networking opportunity. Our thanks to our sponsors [MRA Marketing](#), our hotel sponsor [Grange Hotels](#), and our Silver Sponsors [BRE](#), [Forterra](#), [Keystone Group](#), [Polypipe](#) and [SRS Recruitment Solutions](#). Photographs will be available next week via the Association's [website](#).

Save the Date & Call for Sponsors: CPA Spring Lunch – 11 April 2017 (London)

The CPA will host its annual Spring Lunch on Tuesday, 11th April 2017 at the Dorchester Hotel in London, following the AGM. Ticket will go on sale via the CPA website in early 2017 – watch this space for notifications. Tickets will be sold on a first-come, first-served basis – **the CPA will not take advance reservations for Spring Lunch tickets.**

The event, like our Autumn Lunch, promises to be one of the most popular for the industry in 2017. If you are interested in sponsoring the Spring Lunch, please contact Simon.Frame@constructionproducts.org.uk.

CPA report: *The Future for Construction Product Manufacturing*

CPA recently published this report which analyses how through a combination of digitalisation, automation and optimised manufacturing-led supply chains, the sector can grow 60% by 2025, assets can be delivered over 30% cheaper and 40% quicker, and the trade gap can be reduced to 50% by 2025 whilst supporting employment growth in the sector and wider economy. This report illustrates how the vision can be delivered by linking BIM (Building Information Modelling), Industry 4.0 (smart factories) and intelligent assets through optimised supply chains and a circular UK construction economy. To read either the executive summary or full report, please click [here](#).

Updated: Relevant Authorities Workshop #2 – 07 November (London)

Our second workshop on project data management and templates will take place on the 7th November from 13.00 - 17.00 and will be held at the Building Centre, 26 Store Street, London WC1E 7BT in the Vincent Suite C. **This is for those who could not make the first workshop or those who wish to reinforce their understanding from the first event. This will largely repeat the first workshop. We wish to ensure we have given everyone the widest opportunity to get involved before we move on to the more developed detail and allow attendees to 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. In addition, 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 [shortlist](#) has just been published and includes a good number of CPA members. 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 julie.mills@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 13.00 - 17.00. **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 13.00 - 17.00.

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

BRE/APRES 6th Action Programme for Responsible & Ethical Sourcing (APRES) Conference, London, 29 November 2016

The theme of this year's one-day conference is 'Responsible and ethical sourcing – a professional approach for materials, products and people'. Find details [here](#). CPA members can obtain a discount using the code APRESMEM and can book online [here](#). *Any enquiries to Shamir.ghumra@bre.co.uk*

The Paris Agreement on climate change has come into force

The Paris Agreement came into force today, 4 November 2016. This international Agreement between nations is to keep the global temperature well below 2°C above pre-industrial levels. This is the limit deemed essential to avoid huge changes in global weather patterns leading to increased risk of major disruption to modern living. Delegates from [almost 200 countries are meeting in Marrakech](#) next week to consider the next steps. No national targets have been set but the deal agreed in Paris in 2015 commits governments to moving their economies away from fossil fuels. Teresa May has said the UK will sign the Agreement before Christmas and the Department for Business, Energy and Industrial Strategy (BEIS) will produce a national emissions reduction plan in 2017. *For further information contact jane.thornback@constructionproducts.org.uk*

NEW RESEARCH: Construction Market Report: UK Healthcare Sector

Competitive Advantage, a CPA Associate, has published *Construction Market Report - UK Healthcare Sector* which provides an impartial overview of Healthcare opportunities for the construction industry, presents the structure of private and public Healthcare in the UK, identifies key decision makers and influencers in the sector, including Clients, Architects and Main Contractors and contributes to the marketing strategy of businesses wishing to supply the Healthcare construction sector. *The report is available to purchase online [here](#).*

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

Parliamentary and Government Update**Parliamentary update****Westminster weekly business**

The finalised Westminster business document for the week commencing Monday, 31 October 2016 can be viewed [here](#)

Plans, Reports, Consultations and Statements**Apprenticeship Levy Update**

The government confirmed the details of the funding rates and rules that will apply from April next year when the Apprenticeship Levy comes into force. Key details in the announcements include:

- Firms will now have 24 months, rather than 18, to spend levy funds in their digital accounts,
- A clear commitment to work closely with business to design a system to enable firms to transfer funds to other companies – and pay for training in their supply chains,
- Confirmation of the ability to use funds to retrain staff with existing qualifications, and to provide additional funding for 16-18 year old apprentices,
- Further information on a new register for training providers, and new transitional measures to ensure they can adapt to the changes.

Full details can be viewed [here](#).

The Construction Leadership Council Website Goes Live

The Construction Leadership Council has launched the CLC's new website this week. The website outlines the role of the council in being the link between construction businesses and government. To view the website, click [here](#).

Mark Farmer's Review Published

The Construction Leadership Council published Mark Farmer's independent review of the sector's labour model this week. The review examines the shortcomings of the construction labour model and shows how it has given rise to underinvestment in training and development, innovation, and in raising productivity. It concludes that workforce attrition, exacerbated by an ageing workforce, means that there is now a fundamental imperative for change. The report challenges the sector to do things differently. The full report can be viewed [here](#).

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](#).

National Infrastructure Commission - Call for ideas and update

The Chancellor of the Exchequer, together with the National Infrastructure Commission (NIC) has launched a call for ideas for the NIC's future specific studies. This call for ideas is open to everyone and the Chancellor would particularly welcome views from infrastructure experts, operators, business representative groups and investors. The call for ideas is open for three weeks and the Chancellor will announce the topic of the next study or studies later this year. Further information can be viewed [here](#).

CPA in the News

- [Building.co.uk](#): **Major London office job frozen due to Brexit fears**
Prospective architect Luis Vidal, designer of Heathrow Terminal 2, reveals client may go to different city.
- [Building Products](#): **CPA forecasts mixed picture for construction in 2017 and 2018**
The latest Construction Products Association (CPA) forecasts highlight a mixed picture for the construction industry over the next two years due to the impacts of the uncertainty following the EU referendum.
- [Construction Europe](#): **UK construction output to rise for three years**
Output in the UK construction industry is expected to rise 0.6% in 2016, according to the Construction Product Association's (CPA) latest report.
- [Construction News](#): **CPA forecasts: Retail and office slump cause major downwards revisions**
A major slump in retail and office activity will stunt growth over the next three years, according to the Construction Products Association's latest forecasts.
- [Construction News](#): **CECA: Growth in contractor workloads at lowest level for over three years**
Contractors have seen their workloads grow at the slowest pace for three years, according to research from the Civil Engineering Contractors Association.
- [Construction.co.uk](#): **Industry Activity To Remain 'Broadly Flat' Over Next Two Years**
UK Construction activity is expected to remain "broadly flat" over the next to years following the EU referendum, according to the Construction Products Association (CPA).
- [Partnerships Bulletin](#) **UK infra 'to shrug off Brexit'**
Infrastructure work in the UK is expected to rise by 6.2% in 2017 and 10.2% in 2018, despite a slowdown in privately funded construction, according to the Construction Products Association (CPA).
- [The Construction Index](#): **Construction to experience two-year Brexit slow down**
Construction output growth is to slow over the next two years, as the impact of Brexit begins to bite, according to the latest Construction Products Association (CPA) forecast.
- [Tilezine](#): **CPA forecasts mixed picture for construction in 2017 and 2018**
The CPA's latest forecasts highlight a mixed picture for the construction industry over the next two years due to the impacts of the uncertainty following the EU referendum.

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