



POST **BREXIT** ASPIRATIONS FROM THE CONSTRUCTION INDUSTRY

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WELCOME

On Thursday 23rd June, Great Britain elected to leave the European Union – a monumental decision that will fundamentally change the way in which our country is run.

With the continent still reeling, UK Construction Online considers the immediate impact of Brexit. What is the Government's response? How will the construction industry adjust to life outside the EU? What influence will the outcome have on the availability of much-needed funding or skilled workers?

Inside, experts and authorities from across the industry weigh in with their own insights, opinions and guidance on how Great Britain might move from strength to strength.

Robert Atherton

Publications Editor

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GETTING THE BEST DEAL FOR BRITAIN

THE fallout from the result of the EU referendum could hardly have been more dramatic with numerous political casualties including both the Prime Minister and Chancellor of the Exchequer.

However, the issue of who will become the next Conservative leader and Prime Minister was resolved far sooner than expected.

This turn of events has helped to minimise the political and economic uncertainty surrounding the UK and, in turn, the construction industry.

The new Prime Minister Theresa May outlined her position on how the country should now begin to move forward: "Brexit means Brexit – and we're going to make a success of it. It will be the responsibility of everyone sitting around the Cabinet table to make Brexit work for Britain."

In her campaign to become the new Prime Minister, Theresa May promised to create a new government department to conduct negotiations with the European Union. She said: "I will create a new government department responsible for conducting Britain's negotiation with the EU and for supporting the rest of Whitehall in its European work. That department will be led by a senior Secretary of State – and I will make sure that the position is taken by a Member of Parliament who campaigned for Britain to leave the EU."

As Prime Minister, one of her first acts was to make good on this pledge, appointing David Davis the Secretary of State for Exiting the European Union. Mr Davis, a former shadow Home Secretary, had campaigned for Britain to leave the EU in the run-up to the referendum.

Mr Davis has echoed the thoughts of Mrs May and doesn't want to trigger

Article 50 before the end of the year. In an article written a few days prior to his appointment he wrote: "We need to take a brisk but measured approach to Brexit. This would involve concluding consultations and laying out the detailed plans in the next few months. In conjunction with the high intensity negotiating free trade round this increase in certainty will stabilise the markets."

"As the free trade round and associated economic policies progress, we should see a material increase in foreign direct investment and domestic capital expenditure to take advantage of the opportunities that are created. This means that some of the economic benefits of Brexit will materialise even before the probable formal departure from the EU around December 2018."

Mrs May has met with German Chancellor Angela Merkel and again confirmed that the UK would not

commence official negotiations to leave the EU this year.

She said: "I understand this timescale will not please everyone but I think it is important to provide clarity on that now." However, the Prime Minister moved to reassure that Britain wished to maintain close ties to Europe, and Germany in particular: "I want to be clear today that we are not walking away from our European friends. Britain will remain an outward-looking country and Germany will remain a valued partner and friend to us."

The new Prime Minister has also met with her French counterpart, President Hollande, in Paris. The French president urged Mrs May to activate Article 50, the official mechanism to trigger leaving, as soon as possible.

Mrs May responded by saying: "I have said to President Hollande I want Britain

to continue to work with our European partners to boost trade and economic growth in both our countries.

"This matters to both of us so as the UK leaves the EU we will have to determine how to maintain the closest possible economic relationship between our countries.

"It will take time to prepare for those negotiations. I understand the need for certainty and confidence in the markets and that is why I have already been clear the UK will not invoke article 50 before the end of this year."

New Foreign Secretary Boris Johnson, who played a key role in campaigning for Britain to leave the EU, has stressed that despite the Brexit vote, Britain will remain committed to playing a lead role in European affairs and continue to trade successfully on the continent.

Mr Johnson said: "There is every cause for optimism; a Britain rebooted, reset, renewed and able to engage with the whole world."

He played down fears surrounding Britain's exit, saying they are being "wildly overdone" while the positives of withdrawing are being largely ignored. He said: "The fundamentals of the UK economy are outstandingly strong – a dynamic and outward-looking economy with an ever-improving skills base, and with a big lead in some of the key growth sectors of the 21st century."

On striking a trading deal with other member states, Mr Johnson said: "It is overwhelmingly in the economic interests of the other EU countries to do a free-trade deal, with zero tariffs and quotas, while we extricate ourselves from the EU law-making system."



THE LEGAL PERSPECTIVE: A FAREWELL TO RED TAPE

HAVING elected to leave the European Union, the UK must now ready itself to take full ownership of its own legislation. But that weighty responsibility brings with it renewed opportunity for both the construction industry and the country at large, as our guest commentators explain.

According to John Hayes, Principal of Constantine Law: "The UK's decision to leave the European Union will – within two years – give it total freedom to set the laws that it wants. The UK will no longer be obliged to give effect to EU directives. Two of the EU directives which are likely to go are the Working Time Directive – including the right to statutory paid holiday and rest breaks – and the Agency Workers Directive, which was never loved by business. These developments may cut the cost of supplying labour to the construction sector.

"While this is a very uncertain time for the UK construction industry in terms of investment opportunities, the UK must now make the best of a difficult job. This means having a constructive debate on what laws we need, as a sector, to thrive and survive in a difficult world. We should start an open debate in the construction industry: "Starting with a blank piece of paper, which laws and regulations would you have?"

With adherence to onerous EU directives no longer required, UK legislation could become more agile and responsive to a potentially changeable economic climate.

And though the potential pitfalls are many, the Government might also be able to enshrine and strengthen British industry's and national interests.

James Bessey, Partner at Blake Morgan, was on hand to explain the construction sector perspective. He stated: "The effect of Brexit will undoubtedly have far-reaching consequences for the UK construction sector. These ramifications may include a decline of foreign labour supply, potential changes to procurement processes for major construction projects, and commercial imports/exports being affected by greater currency fluctuations.

"However, the effects may not be all doom and gloom for the industry. There are a number of potentially positive outcomes including simplified public procurement, reduced red tape and reduced regulations."

The removal of reams of EU bureaucracy carries with it considerable efficiency benefits for the UK construction industry in particular, specifically in terms of procurement.

Mr Bessey continued: "Construction companies may benefit from changes to public procurement rules. The current EU Procurement Directives have established mechanisms that govern the way in which public and quasi-public sector contracts for works, goods and services are bought. The directives include a number of processes which ensure that

tender processes are available to small and medium enterprises and also ensure that all businesses operating within the European Union have a fair chance of winning public sector projects in all EU countries

"The vote to leave the EU will therefore remove the UK's obligations to follow these procurement requirements meaning that UK companies may benefit from limited competition from EU businesses. However, the benefits may be somewhat wider than that. For instance EU procurement is often viewed as cumbersome and slow, preventing or hindering contractors from offering alternative schemes and value engineering options. The EU procurement process is naturally costly as well. Greater flexibility all round may be one benefit from not being bound by these processes."

Ultimately, with so much up in the air and as yet undefined, only time will tell as to what the long-term impacts are. Brexit may well provide the UK construction industry with a valuable opportunity to redefine its processes, however.

James Bessey concluded: "The overall effects of Brexit will depend on the ongoing relationship with the European Union and/or membership of the European Economic Area/European Free Trade Area. However, having particular regard to the construction industry, the UK's newfound independence has given the country the potential to reduce or repeal the restrictive obligations imposed by the EU, under its own UK laws."

CASE FOR INFRASTRUCTURE INVESTMENT STRONGER THAN EVER BEFORE

WITH Brexit now a formality, the British Chambers of Commerce has united with the Confederation of British Industry, the Federation of Small Businesses, the Institute of Directors, and EFF – the manufacturers' organisation – to encourage the Government to press on with investment in large-scale infrastructure schemes.

In an open letter addressing the implications of Brexit, the five distinguished business groups suggested that sustained investment would provide the UK economy with a reassuring "shot in the arm". "This may be a time for calm reflection," they clarified, "but it is not a time for inaction."

It is a sentiment widely shared within Government circles, and one that the former Chancellor of the Exchequer, George Osborne, has been a proponent of. Inward investment is absolutely critical to the long-term economic sustainability of an independent Great Britain.

Though Mr Osborne's detractors have often accused him of being overly cautious, the former Chancellor recently urged David Cameron's replacement, Theresa May, to continue the Government's commitment to HS2 – the high-speed railway envisioned as a means of improving connectivity between London and the north of

England – in addition to a raft of ongoing TransPennine improvements.

A third runway would also be necessary for the south east, Mr Osborne has said, highlighting past indecisiveness over Heathrow Airport's proposed runway. According to research undertaken by ComRes, two thirds of MPs believe that approval of Heathrow's long-awaited expansion will bolster the British economy post-Brexit.

Of the 150 MPs polled, the overwhelming majority ranked Heathrow as the leading infrastructure scheme for spreading growth across the country – ahead of HS2, HS3 and the expansion of Gatwick Airport, which received just 3% of the vote in comparison to Heathrow's 41% share.

Following the results of the EU referendum, a Heathrow spokesperson said: "The case for expansion at Heathrow is stronger than ever before. Only Heathrow can help Britain be the great trading nation, connecting all regions of the UK to the world. It is the keystone that connects businesses of every size to markets across the world as the UK's only global hub airport.

"Global connections are critical for a new outward-looking UK to help our businesses and economy to thrive, and with expansion we can deliver up to 40

new destinations on top of the 83 we serve now.

"We are confident that the Government will make the right choice for the future of the UK, putting the interests of the country first. We look forward to working with the Government and its agencies on next steps."

Heathrow CEO John Holland-Kaye added: "At an uncertain time for the British economy, MPs recognise that Heathrow is a private sector infrastructure project that will spread growth across Britain from the moment that we get a green light.

"Now more than ever, people across Britain are counting on the Government to take bold decisions that show we are a confident outward-looking trading nation. MPs are clear that expanding Heathrow will help secure Britain's long-term economic future. Heathrow is the right choice for a stronger Britain."

For Heathrow, the findings are an affirmation of the Independent Airports Commission's earlier recommendation that Britain's place in the world would be more secure with its expansion.

One thing is certain however – the case for infrastructure investment across the country is stronger today than ever before.

CONSTRUCTION INDUSTRY

RALLIES AFTER EU REFERENDUM

REPRESENTING specific sectors within the construction industry and giving their members a voice, trade associations have responded cautiously to the Brexit vote with many looking first for a period of evaluation.

A constant amongst the reaction from bodies across the construction industry has been the call for stability and strong leadership from the Government. Also fundamental is the need to engage with industry to find the right path to restoring productivity and confidence to the sector.

The Royal Institute of British Architects (RIBA) President Jane Duncan was quick to back the talent that exist in Britain: “UK architecture talent is incredibly resilient and we will continue to ensure that our profession has a bright future, whatever the operating environment.

“Clearly there is uncertainty about the timescales and impacts on a range of issues important to our industry including free movement in the EU for architects as well as students, trading and material sourcing, inward investment relationships, EU procurement rules and

the effect on the construction sector if restrictions are placed on EU migration.

“In common with other UK businesses and organisations, the RIBA is assessing the short and longer term effect of the withdrawal on our members and the Institute will provide further guidance in due course.

“Most importantly, we will work with colleagues in industry and government to ensure that architects have a strong voice in the coming weeks, months and years”.

Chris Blythe, CIOB Chief Executive, reassured CIOB members that the Brexit vote wouldn't impact upon the global standing of their qualifications: “Even though we are UK-based, membership of the CIOB continues to be a guarantee of high professional standards and provides access to international markets. In this regard, the global status of our members' qualifications remains unaffected.”

The Chartered Institute of Building (CIOB) declined to take sides on the EU referendum but remains committed to maintaining an open dialogue between

the construction industry and the government as it plans for life outside the European Union.

Mr Blythe commented: “The CIOB will be discussing the implications of EU withdrawal on the construction industry and built environment with policy makers. This includes understanding the views of our members as well as taking into account the public interest as part of our Royal Charter objectives. We will also continue to commit to working with other professional bodies to ensure a consistent cross-profession voice is presented.

“As it currently stands, and in common with other organisations, the CIOB is assessing the impacts of withdrawal from the EU and will provide further advice to members in due course. From Government, it is essential that stability, clear leadership and a recognised plan of action are put in place as soon as possible in order to dispel any uncertainty and provide the industry with the confidence to continue with ‘business-as-usual’.”

Representing the UK joinery and

woodworking sector, the British Woodworking Federation (BWF) struck a positive tone in their response and accepted that there would inevitably be a short-term period instability.

Iain McIlwee, Chief Executive of the BWF said: “For the UK, its people and its economy, we are entering a new chapter in history. What matters now is that firms are well informed and well prepared to assess risk and opportunity. From that position of preparedness, businesses will be able to ride through the inevitable period of change ahead with greater confidence and optimism.

“Some of the risks will be immediate, such as fluctuating currency. For example, the impact on material and component imports must be factored into joinery estimates and companies must ensure they are not caught out on projects that they have already quoted on, but materials have not been secured. “Some of the opportunities could come through more tax breaks, incentives to employ, and light touch legislation. We also hope to see public sector procurement, now unfettered by EU policies, very carefully measuring and

taking into account the socioeconomic impact of decisions within specification.”

The Construction Products Association (CPA) said that businesses will no doubt be concerned by the uncertainty following Brexit but pledged to work closely with the Government to ensure CPA members interests are properly represented: “Whilst the CPA's own survey of our members before the vote did not indicate a consensus either to remain or leave, there is no doubt that the uncertainty around this issue has weighed on decision-making across both the manufacturing and construction industries.

“Many businesses will be concerned about the implications for themselves and their markets, but this will take considerable time and effort to resolve. The CPA will be at the centre of these efforts, particularly with relevant government policy makers, to represent and protect our members' interests.

“In turn, we will work closely with our members to shape and communicate the future of the construction products industry and provide insights to allow

companies to plan for the future.”

With close ties to the construction industry, the automotive industry is represented by the Society of Motor Manufacturers and Traders (SMMT). Its Chief Executive, Mike Hawes, said it was crucial that the Government maintained access to free trade across Europe. He commented: “The British public has chosen a new future out of Europe. Government must now maintain economic stability and secure a deal with the EU, which safeguards UK automotive interests.

“This includes securing tariff-free access to European and other global markets, ensuring we can recruit talent from the EU and the rest of the world and making the UK the most competitive place in Europe for automotive investment.”

What is clear from these responses is a real sense of determination to do everything possible to make sure that the voices of over two million people who work in the construction industry are heard and are given the opportunity to thrive in the new landscape.



BREXIT AND THE BUSINESS RESPONSE

FOLLOWING Following the Brexit vote, companies have been planning for the future beyond the European Union.

Regardless of their position before the referendum, companies are now stressing the importance of maintaining access to the European single market to ensure Britain remains open for business. JCB Chairman Lord Bamford favoured leaving the European Union prior to the referendum and wrote to the company's 6,500 UK employees saying they had "very little to fear" in leaving the EU as he predicted links to the market would remain unaffected.

Following the Brexit vote, he urged the business community to "look to the future": "The UK is the world's fifth largest trading nation. We therefore have little to fear from leaving the EU. European markets are important to many UK businesses, including JCB, and this will not change."

JCB's UK workforce is employed across 11 factories in Staffordshire, Derbyshire and Wrexham. In addition, the company operates other plants in North America, India, China and Brazil.

Lord Bamford, who took over the family-owned firm more than 40 years ago as Chairman, added: "As a consequence of this momentous decision, we should look ahead to opportunities to trade more freely with the rest of the world, as well as building on existing trading relationships with customers and

suppliers in Europe."

American construction equipment manufacturer, Caterpillar, urged the Government to maintain Britain's access to the single market and safeguard the interests of businesses operating in the UK.

Mark Dorsett, Caterpillar UK Country Manager, said: "We call on the British Government and its European partners to make all efforts to move forward swiftly to negotiate a new settlement. The UK is an intrinsic part of our European supply chain and we urge all parties to reach an agreement that quickly removes the uncertainty, allows the UK to retain full access to and from the single market and protects the interests of businesses with strong commitments and investments in the UK."

However, German carmakers have warned that the UK must accept the free movement of EU citizens in exchange for access to the single market.

Matthias Wissmann, from the German Automotive Industry Association, said: "We don't like to build new barriers... but any bid to secure full access to the single market would necessarily come with conditions."

"Half of the UK's 2.6 million annual new-car sales are built by German-owned companies and Germany exports about 810,000 passenger cars a year to Britain."

Engine-maker Rolls-Royce has said that

despite the vote to leave the EU, it expects that due to the solid underlying growth in revenues and its ongoing restructuring programme, it will deliver more engines in the second half of the year.

A spokesperson said: "Rolls-Royce remains committed to the United Kingdom where we are headquartered, directly employ over 23,000 workers and where we carry out a significant majority of our research and development."

The company said that the longer-term impact would "depend upon the relationships that are established between the UK, the EU and the rest of the world over the coming years".

Foreign companies mostly own the UK auto industry; Japan's Nissan, Toyota and Honda all have car factories in England, set up largely to export to the EU.

Toyota produced about 190,000 cars in the UK last year. Of that figure, 75% went to the EU. Only 10% was shipped and sold within Britain.

It cannot be made any clearer to the Government that a significant number of British businesses feel they must have access to the European single market to allow their companies to flourish.

All eyes will now be on the Government to see how quickly the new leadership will be able to negotiate agreements that can deliver this for the construction industry.

BREXIT REACTION FROM THE VINDEN PARTNERSHIP

AS the fallout continues following Britain's decision to leave the European Union, UK Construction Online spoke to Peter Vinden, Managing Director of The Vinden Partnership – a leading multi-disciplinary consultant company to the built environment.

Speaking exclusively to Matt Brown from UK Construction Online, Mr Vinden said: "The effects of the result of the EU referendum are still being felt, with some of the initial reaction bordering on hysteria. The country now needs strong leadership to steady the ship and put Britain back on course."

"Instability surrounding the pound and the markets was inevitable once it became clear Britain had voted to leave the European Union."

"As the posturing stops and serious negotiations begin, it will become clear that Britain will not turn its back on trading with Europe. Likewise Europe, despite some of the more unhelpful comments being made from certain quarters, will realise it needs to maintain a favourable trading relationship with Britain."

"We have seen EDF confirm that the

Hinkley Point power station project will remain unaffected by the vote. Likewise, Huawei will be pressing ahead with its billion-pound investment programme."

"Britain will also be able to pursue advantageous trading relationships with other parts of the world. Already we are seeing trade talks begin with the likes of Australia, Canada, India and South Korea. "The Brexit decision should be viewed as a great opportunity and we need to reinforce the message that Britain is open for business."

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SKILLS AND TRAINING

IN POST-BREXIT BRITAIN

THE skills shortage is one of the biggest challenges facing the construction industry. Significant infrastructure projects and the largest programme of house building since the 1970s has seen a tremendous stress placed on resources within the sector.

Numerous warnings have been issued that a vote to leave the EU will only exacerbate the crisis, given the construction sector's reliance on skilled migrants from the European Union to make up the shortfall in numbers.

Brian Berry, Chief Executive of the Federation of Master Builders (FMB), said: "The UK construction industry has been heavily reliant on migrant workers from Europe for decades now – at present, 12% of British construction workers are of non-UK origin.

"The majority of these workers are from EU countries such as Poland, Romania and Lithuania and they have helped the construction industry bounce back from the economic downturn when 400,000 skilled workers left our industry, most of

which did not return.

"It is now the Government's responsibility to ensure that the free-flowing tap of migrant workers from Europe is not turned off. If ministers want to meet their house building and infrastructure objectives, they have to ensure that the new system of immigration is responsive to the needs of industry.

"At the same time, we need to ensure that we invest in our own home-grown talent through apprenticeship training.



We need to train more construction apprentices so we are not overly reliant on migrant workers from Europe or further afield."

The National Open College Network (NOCN) said the result of Brexit only reinforced the need for Britain to improve its training and skills programme for the construction industry: "Amidst all this change and uncertainty NOCN believes that there is one clear message. The need to improve the skills and productivity in our economy is even more important than it was before the EU Referendum.

"That means we need to continue to focus on apprenticeships – if not speed up the programme. However, we do need a change in priorities to also invest in upskilling both the existing workforce and those not in work."

NOCN Managing Director Graham Hasting-Evans, speaking to UK Construction Online, said: "We just haven't got the training resource and capacity aligned with the demand of the industry and therefore the gap is then filled by people coming from Europe who are trained in that way and have got better apprenticeship systems."

In terms of the Government encouraging

more people into apprenticeships, Mr Hasting-Evans said: "The industry has been able to fill most of the skills gap from Europe and therefore there has been less spent on it.

"The Northern European countries – Scandinavia, Germany, the old Eastern Bloc countries – they have got a good quality of apprenticeship systems as we did about 30 years ago. Unfortunately, we let ours go and we are now trying to rebuild it so our workers are able to come in and get job ready.

"The operative level – the crafts people – are the ones coming in from Europe and we are not growing enough of our own of those. Progressively we're not growing enough technicians, project managers and engineers.

"The Government is probably not making the industry attractive enough and all of these factors start hitting together and we end up with skills gaps."

Graham Nicholson, Chair of the Technician Apprenticeship Consortium (TAC), said that he didn't envisage much change to apprenticeships following Brexit but felt that maintaining spending on infrastructure is crucial. He told UK Construction Online: "I don't think we will change what we are doing with

apprenticeships because we are leaving the EU. The fundamental thing for the industry at the moment is to ensure our investment in infrastructure is protected. We need to keep our industry busy by building vital infrastructure, which is needed now more than ever as we need to create better connectivity with everyone. However, this will still leave us with the issue of the skills shortage.

"Apprenticeships will be a very important way of dealing with that. Not just in the short term, as apprenticeships are really building skills for the future. You can take in another 5,000 apprentices now and they will become very valuable people in the next four or five years' time. It won't directly affect anything in the next one or two years.

"I'm optimistic that something positive will come out of this even if it wasn't what we initially wanted. It is what it is, and we will have to work hard to make it work.

"There's a lot of disruption that's going to come but we just need to be clever and innovative and find ways to deal with it. I think we're a very resourceful industry and country and we will find a way through this. Who knows, maybe in five years' time we will look back and think it wasn't such a bad thing after all."

HOW IS THE HOUSING INDUSTRY REACTING TO THE BREXIT VOTE?

THE housing sector is key to the construction industry and plays a vital role in the Government's policy following its pledge to build a million new homes by 2020.

In the aftermath of the announcement that Britain had chosen to leave the European Union, house builders saw share prices plunge as far as 20% in some cases.

However, as the markets begin to settle following the initial nervousness of the morning after, the fact remains that there is still a huge demand for housing and a chronic shortage to satisfy it.

David Orr, Chief Executive at the National Housing Federation, echoed this sentiment. He said: "We recognise the uncertainty that this result will bring to the sector and we are working with our housing association members to support them to continue delivering the homes and services this country needs. Whatever happens there is still a housing crisis and we remain committed to ending it."

Leading housing developer Redrow Homes reported that Brexit hadn't had any impact on business so far. Following strong end of financial year trading figures, Chairman Steve Morgan commented: "Initial feedback is that sites remain busy, reservations continue to be taken and, indeed, we witnessed long queues and strong reservations at new sites launched last weekend.

"The fact remains that there is a long-term underlying demand for new homes following decades of under-supply. This chronic shortage of housing leaves market fundamentals unchanged."

Chris Nelson, co-founder of sustainable housing developer, egg Homes, told UK

Construction Online that he expected that market jitters would quickly pass: "Being honest, I would have preferred to stay within the EU as it is good for trade across member states and it would have avoided this period of uncertainty we're heading into. There is now an immediate financial impact across all sectors of the construction industry and on the residential sales side. However, I think the dust will settle quite quickly; there is a knee-jerk reaction from the markets, but this shouldn't last long.

"Europe exports to the UK more than we export, therefore they will be keen to set up new agreements and quickly things should get back to normal; we could even be in a stronger position, but the immediate impact is as we expected. From an egg Homes perspective, we source the majority of our materials and workforce from as close to site as possible, with only a few specialist materials sourced from overseas.

"As a business we're also governed by the World Trade Organisation,



which operates in a similar manner to the EU, so from a business perspective we're in a fairly strong position. House prices may suffer, but I do not see this as a long-term problem, and we are priced well for the markets."

Student accommodation
Investment in student accommodation was worth an estimated £4.5 billion last year, with around 6% of all full-time students in the UK coming from the European Union.

Empiric Student Property, specialist investors in premium student accommodation, predicted no long-term effects to the sector following the vote in their trading update ahead of the financial year-end.

In a statement the company said: "We believe that the impact on the operations of the Group will be limited. EU students represent only 6% of all full-time students in the UK, due primarily to the historical cap on the number of EU (including UK) students, as well as the higher overall cost of studying in the UK (albeit subsidised) compared to continental Europe. Therefore, the UK's higher education system is not dependent on this portion of the market.

"While students from the EU may be subject to more stringent visa requirements and higher fees, there is strong demand from other international students and the potential long-term devaluation of sterling would make the UK more affordable for international students. There is also a significant increase in expectations of an interest rate fall, which would be to our benefit. Therefore, we believe that the higher education sector and, by implication, the student accommodation sector, will prove resilient."

UK ENVIRONMENTAL AGENDA CONTINUES AMID BREXIT UNCERTAINTY

IN recent years, climate change, ecological concerns, heritage conservation and the contemporary built environment have come increasingly to the fore. Yet, in light of the EU referendum, how might the Government continue to further its green agenda? Without European financing, are the UK's environmental initiatives at risk? To date, the answer has been a resounding 'no'.

According to Roseanna Cunningham, the Scottish Government's Cabinet Secretary for Environment: "The referendum does not change the force of our domestic law, in which regulation and protection are embedded. Our regulatory bodies – the Scottish Environment Protection Agency, Scottish Natural Heritage and others – will continue to regulate and protect us and will continue to do what they need to do to effect the outcomes that we consider to be necessary."

It's a perspective that has reverberated throughout the industry. The UK's environmental agenda will press on regardless of the Leave outcome. Indeed, for Peter Bonfield – CEO of built environment specialist BRE Group – it is very much business as usual: "The well-established and harmonised regulatory approval system for construction products, materials and technologies which makes trading easier across member and non-member states in Europe will remain intact and along with it our very strong presence in the European standards committees which govern the approval system.

"We will continue to collaborate with our partners on European research projects through our well established network groups so we can share learning together and further our positive impact on the built environment for the benefit of all.

"We currently benefit from a wonderful array of very talented people who have

joined us from across the EU and further afield, making us strong. We will continue to work hard to ensure we are a magnet for the best and brightest people from Europe and the rest of the world."

But what of the UK energy sector? Renewable energy provision remains hugely important to both the UK economy and the country's sustainable aspirations. Given that the sector relies so heavily on foreign investment, is



the delivery of sustainable energy infrastructure still assured?

The answer is something of a mixed bag. Siemens has revealed that new wind power investment plans have been postponed until the energy company has a fuller picture of the UK's relationship with Europe post-Brexit. Reassuringly, current manufacturing will continue – a move which will effectively safeguard

existing schemes and the skilled jobs generated by them.

Many of the industry's most prominent players have taken similar steps, though Dong Energy – the single biggest investor in UK offshore wind – has a slightly more positive outlook. A spokesman stated: "We will await clarity over the implications of the vote to leave the European Union. However, we don't believe that UK energy policy is dependent on EU membership."

Crucially, if the UK is to progress its environmental agenda amid Brexit concerns it must first listen to the industry itself. Martin Baxter, Chief Policy Advisor for the Institute of Environmental Management & Assessment (IEMA), concluded: "It is essential that the Government gives a commitment that, in negotiating the terms of the UK's exit from the EU, an equivalent or enhanced level of environmental protection and climate policy will be implemented here in the UK.

"In establishing the UK's future direction, the Government must develop progressive policies for the UK to transition to a low-carbon, resource-efficient and sustainable economy which delivers real social value over the long term. It must seize the opportunity to accelerate the transformational change needed to meet long-term sustainability challenges and provide a much-needed boost to UK jobs and productivity.

"An immediate test of the Government's commitment to the environment and sustainability lies in the adoption of the UK's Fifth Carbon Budget. We urge the Government to adopt the independent Committee on Climate Change recommendation for a 57% emissions reduction, giving a clear and positive signal of its long-term environmental commitment."



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