



12 August 2019

The Rt Hon Boris Johnson MP
Prime Minister, First Lord of the Treasury and
Minister for the Civil Service
10 Downing Street
London, SW1A 2PP

Re: the UK construction industry's preparations for Brexit and the potential impact of a 'No Deal'

Dear Prime Minister,

On behalf of our members, we extend congratulations on your election as the leader of the Conservative Party and appointment as Prime Minister.

The Association for Consultancy and Engineering (ACE), Build UK, the Civil Engineering Contractors Association (CECA) the Construction Products Association (CPA) and the Federation of Master Builders respectively represent engineering consultants, clients, major & specialist contractors, civil engineering companies, construction product manufacturers and suppliers, and SME builders. Together, we account for hundreds of thousands of jobs and the majority of the UK construction industry's £163 billion in annual turnover. This industry is relied upon by Government and society to provide and maintain our infrastructure, homes and wider built environment.

We have endeavoured to support and inform Government policy as preparations for Brexit have developed. We have also sustained an essential role with our members and the wider industry by sharing much needed expertise and information to help prepare for any eventuality. Crucially, our position underpinning this work has been consistent: while we recognise and respect the referendum result, we believe the UK must leave the EU in a considered, managed way in order to avoid the likelihood of massive short-term disorder and potentially long-lasting damage.

Even now, the continuing inability of policy-makers to agree a way forward has left our members – multinationals and SMEs alike – struggling to overcome the market uncertainty impacting their businesses. Data from the ONS and Markit/CIPS make clear the worsening erosion in recent construction activity; contracts for new major offices projects, for example, have fallen sharply since the EU Referendum due to concerns from investors over long-term economic prospects and returns.

This comes whilst our members seek to properly prepare for an unknown future after October 31st. As in other sectors, they are spending time and resources on stockpiling; transportation and logistics alternatives; auditing and guaranteeing the resilience of their supply chains; and vetting contractual risks and obligations.

Our forecasts show that with a deal in place and a smooth Brexit, construction output would rise by over £1.2 billion by the end of 2020. Leaving in an unplanned way with a No Deal Brexit however could lead to a fall of £10.5 billion over the same period, with the greatest impacts felt on the house building and commercial sectors.

The immediate effect of leaving without a deal in place is not knowing the cost of the materials and goods that construction projects rely on, or if they will arrive on sites across the four nations to keep projects of all shapes and sizes on track. Delays in completing building and infrastructure projects impacts our lives in so many ways; it may be the new hospital in a community which will speed up lifesaving treatments, the homes desperately required, urgent maintenance to our heritage buildings or vital repairs to bridges and roads that will keep Britain moving.

With the impact of the previous financial crisis not forgotten in an industry that experienced countless business failures, plant closings and nearly half a million job losses, the resilience of our industry has its limits. We trust that the Government and parliamentarians will agree the arrangements for trading with the EU as a matter of urgency. In the meantime, we are ready to reaffirm our willingness to work with you and your new administration, and would welcome an opportunity to discuss how we can make a success of the years ahead.

Yours sincerely,



Hannah Vickers
Chief Executive Officer
Association for Consultancy and Engineering (ACE)



Suzannah Nichol MBE
Chief Executive
Build UK



Alasdair Reisner
Chief Executive
Civil Engineering Contractors Association (CECA)



Peter L Caplehorn, RIBA
Interim Chief Executive
Construction Products Association



Brian Berry
Chief Executive
Federation of Master Builders

Cc: The Rt Hon Sajid Javid, Chancellor of the Exchequer
Cc: The Rt Hon Andrea Leadsom, Secretary of State, Department for Business, Energy and Industrial Strategy
Cc: The Rt Hon Michael Gove, Chancellor of the Duchy of Lancaster
Cc: The Rt Hon Stephen Barclay, Secretary of State for Exiting the European Union

NOTE TO EDITORS:

1. The [Association for Consultancy and Engineering \(ACE\)](#) is the association for the UK's professional consultancies and engineering companies operating in the social and economic infrastructure sectors. The association champions infrastructure to government and other stakeholders, representing the views of around 450 members. Our members employ over 60,000 in UK and 250,000 worldwide, contributing more than £15 billion to the UK economy. They have worked on some of our most high-profile infrastructure to date: Crossrail, Thames Tideway, HS1 & 2, the Queensferry Crossing and Heathrow Terminals 2/3 and 5.
2. [Build UK](#) is the leading representative organisation for the UK construction industry. By bringing together Clients, Main Contractors, Trade Associations representing over 11,500 Specialist Contractors and other organisations committed to industry collaboration, Build UK represents in excess of 40% of UK construction.
3. The [Civil Engineering Contractors Association](#) (CECA) has over 300 member firms that carry more than 80% of all civil engineering work in Great Britain. The CECA survey of civil engineering workload trends, in which more than a third of the membership takes part, tests for changes over the past year in contractors' workload, workforce, order books, cost trends, and tender prices. It also examines the supply situation for key resources, and contractors' expectations of trends in new orders and employment in the coming 12 months.
4. The [Construction Products Association](#) represents the UK's manufacturers and distributors of construction products and materials. Nearly 80% of all the products used in the UK are made in the UK. The sector directly provides jobs for 337,000 people across 24,000 companies and has an annual turnover of more than £60 billion. The CPA is the leading voice to promote and campaign for this vital UK industry.
5. The [Federation of Master Builders \(FMB\)](#) is the largest trade association in the UK construction industry representing thousands of firms in England, Scotland, Wales and Northern Ireland. Established in 1941 to protect the interests of small and medium-sized (SME) construction firms, the FMB is independent and non-profit making, lobbying for members' interests at both the national and local level. Within its membership, around 55% of FMB members build new homes either as their primary function or as part of the suite of building services they provide, but most are primarily active in the domestic repair, maintenance and improvement market. The FMB is a source of knowledge, professional advice and support for its members, providing a range of modern and relevant business building services to help them succeed. The FMB is committed to raising quality in the construction industry and offers a free service to consumers called 'Find a Builder'.

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