

Richard Harrington MP
Minister for Business and Industry
Department for Business, Energy &
Industrial Strategy
1 Victoria Street
London. SW1H 0ET

11.02.2019

Dear Richard,

I am writing to you in your capacity as Parliamentary Under Secretary of State at the Department for Business, Energy and Industrial Strategy, and Co-Chair of the Construction Leadership Council (CLC).

As you are aware, construction is one of the largest and most important sectors of the UK economy. In 2016, it had an annual turnover of £370bn, and contributed £138bn to the UK's Gross Value Added (GVA) - 9% of the overall total. Construction is one of the few sectors that is truly nationwide – employing approximately 3.1 million people, most of them outside London and the South East.

Part of the CLC's role is to provide leadership and guidance on a number of issues which are of strategic importance to this large and diverse sector. This is the reason that the CLC recently hosted a Brexit Transition Planning Conference at the Institute of Civil Engineers (ICE) to provide an opportunity for the sector to discuss the potential implications of a "no deal" Brexit, and the actions that the sector should collectively take to mitigate its effects.

The conference was attended by approximately 100 representatives of the Construction sector, from product manufacturers to professional services, large and small contractors, trade associations as well as representatives from major clients & government departments.

I should make clear that that attendees were appreciative of the efforts already made by Government to provide clarity, support and guidance to the sector as and where it is possible to do so, for example in relation to the rules that will apply to construction products.

Nonetheless, four key areas of concern were raised by attendees over the course of the conference:

- the ability for the sector to retain and support 160,000 EU nationals currently working in the UK, who form around 13% of the construction workforce in the UK, but around 30-40% in London – and an even higher proportion of the housebuilding workforce;
- minimising disruption to the import and export of construction products into and out of the UK;
- the future regulatory regime for construction products post-Brexit, in both the EU and UK, and how firms can demonstrate compliance with it; and
- the potential for the above factors to cause delays in the completion of projects and contribute to an increase in costs.

I have no doubt that these concerns are not unique to construction and will have been shared with you by the representatives of other sectors.

However, as we galvanise and co-ordinate our industry response, we recognise that there are two constraints we must be mindful of. Firstly, the sector has long supply chains employing many SMEs which mean that clients, contracting firms and trade associations have limited information about the potential impact of no deal on individual firms. Furthermore, few firms in the sector have the scale and resources to be able to invest in substantive contingency planning.

Bearing this in mind, we will continue work with the sector to develop mitigating actions to the issues raised by conference attendees and will work with your officials to implement and communicate them.

Initially this will involve:

- convening a group to address how the industry can recruit, retain and support foreign nationals within the UK construction workforce, and engages with the consultations on the Government's Future Skills Immigration White Paper.
- working with trade associations and other bodies to understand the impact of changes to the rules on the import and export of goods within the supply chain. In the interim the CLC will encourage all construction businesses to initiate conversations with their supply chains and clients to prepare for potential disruption.
- working with the construction products sector to promote and share guidance on potential changes to the rules on demonstrating compliance with product regulations following Brexit.

However, as you will appreciate, it will not be possible to mitigate all of the potential impacts of "no deal", and that close collaboration and a spirit of cooperation will be needed to solve further issues as and when they arise.

I would therefore urge you to continue to advocate for the industry within Government and encourage your ministerial colleagues to adopt this approach in their dealings with the sector.

Your continuing support in this work is greatly appreciated.

I am copying this letter to the Chief Executive of the Civil Service.

Kind Regards,



Andy Mitchell CBE
Co-Chair, Construction Leadership Council