



25 February 2019

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

Re: Impact of a 'No Deal' Brexit on the Construction Industry

Dear Prime Minister,

Whether a leaver or remainer, we all rely on the construction industry to provide and maintain our built environment, and leaving the EU without considered arrangements in place for the UK to trade across Europe is already damaging and hampering our ability to do business.

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. The UK economy mirrors the construction economy and the lack of knowledge and information around the UK's exit from the EU has already reduced investment and output which will not be recovered.

Even now, the continuing inability of policy-makers to agree a way forward has left the vast majority of 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 March 29th. As in other sectors, they are spending valuable time and resources on stockpiling; transportation and logistics alternatives; auditing and guaranteeing the resilience of their supply chains; and vetting contractual risks and obligations. Leaving in an unplanned way on March 29th with a No Deal Brexit could lead to a fall of at least 4% this year and 2% next year in the £163 billion construction industry, and the greatest impacts felt on the house building and commercial sectors, which would both be expected to fall by at least 10% in 2019.

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. The construction sector is urging the Government and parliamentarians to do their duty and agree the arrangements for trading with the EU as a matter of urgency.

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)



Dr Diana Montgomery
Chief Executive
Construction Products Association



Brian Berry
Chief Executive
Federation of Master Builders

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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