**Carl Arntzen Speech for the CPA Spring Lunch**

**16 April 2019**

**The Dorchester, London**

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Ladies and Gentlemen, it’s my great pleasure to welcome you here today for the CPA’s annual Spring Lunch. We’re very pleased that you could join us at yet another sold-out event. I am delighted to see so many of the leading construction products manufacturers here today, joined by colleagues from across the supply chain, along with a number of guests from government, the media, academia and various industry organisations. A very warm welcome to you all.

We held our AGM earlier today, where members were briefed on the activities of the Association and the busy year already underway, which I’ll touch on in a moment. We also voted on the election of Officers. I’d like to congratulate Chris Hayward of NMBS and Martin Payne of Polypipe, who are joining the board and whose experience and expertise will I’m sure be much appreciated.

And I’d like to thank two departing Officers – Martin Riley of Tarmac, and my predecessor as Chair, John Sinfield, now of the BMI Group. Both Martin and John have given valuable time and effort in support of the CPA and we thank them for all they’ve contributed during these very challenging few years.

Given the example of voting set at Parliament over the past months, as Chair I was very relieved that the CPA AGM involved no indicative votes, no calls for a referendum, and no talk of extended deadlines!!

Joking aside, like many of you I’m finding the whole Brexit thing extremely exasperating!! So forgive me for taking a few minutes not to talk about Brexit, but to focus on some things that are actually going well for our industry.

You wouldn’t know it, given the lack of bandwidth in government, but in fact some important policy work has been taking shape over the past months, that promises to impact our businesses in a big way. I am proud to say CPA has been involved with nearly all of the work, demonstrating industry leadership and making the case on our behalf.

The first example is the Sector Deal for Construction, which comes out of the government’s Industrial Strategy. It’s great that government recognise the importance of our sector and dedicate resource into helping transform it.

We’ve seen significant government investment into a Challenge Fund that promises to develop and promote digital and manufacturing technologies for the construction sector, and to help build smarter, greener and more efficient buildings, much faster and cheaper than we currently do. Diana has been chairing an advisory group for this investment, working closely with the team at UK Research and Innovation.

The government has also identified three projects in its sector deal involving the CPA that it supports. One on digital supply chains, funded by Innovate UK. The second is Digital Object Identifiers, again originally funded by Innovate UK which we’re progressing in partnership with BSI and NBS. And the third is LEXiCON, which is under development with BRE and has recently seen an injection of government funding that will put it on track for testing later this year.

This focus on digitalisation, new technologies and materials is part of a bigger effort by government to help modernise the UK construction industry. With that in mind, today the CPA launched the first in a series of publications on the subject of innovation in our sector, both innovative products and the innovative processes behind them.

You’ve got the executive summary at your tables.

We want to use this project to show just how much innovation is happening in our sector to improve quality, performance and productivity, and quite frankly, to partner with the wider supply chain to speed its adoption. We hope you’ll want to be involved in future publications and help us get the word out.

Spreading the word about the proactive steps our industry is taking is extremely important, not only to drive cultural change but also to improve our reputation in the minds of policy-makers and clients.

Also at the front of my mind is our industry’s reaction to Grenfell and the Hackitt Review that followed. I’ve spoken clearly on this subject at previous Lunches. Each time I find what happened totally indefensible: a poor quality job, done cheaply, reflecting the very worst of construction culture and practices.

It’s been nearly a year since Dame Judith Hackitt published the results of her independent review. I know there are some in the construction industry, perhaps some in this room, who have decided that ultimately it’s not relevant to them or their business. Maybe they think it’s just all about high-rise buildings or fire protection.

Well I warn everybody now, it would be a serious mistake to think like that. What Dame Judith has advocated, and what the government and the Opposition are clearly ready to push, is a sweeping change to the way the entire construction industry does business and delivers projects.

The CPA are in fact leading two elements of that reform. The first is the need to define competency requirements involving construction products. What kind of competency is required not only of manufacturers but right across the entire industry, from architects and specifiers to FM teams and owner / operators?

The second is an area that Dame Judith identified as particular to product manufacturers, and that is the quality and consistency of marketing materials and test data. The CPA have responded by creating a Marketing Integrity Group, involving a number of members here today, to examine how manufacturers can ensure that clear and unambiguous product information is made available throughout the supply chain.

This promises to result in potentially ground-breaking recommendations from the CPA to government about establishing a new code of practice for all of us in the products sector.

I know that plenty of people outside this room find it easy to say that nothing has changed since Grenfell; that industry hasn’t responded. I hope you’ll understand and appreciate that such criticism doesn’t reflect the facts. Our industry, facilitated by the work of CPA, has been both proactive and collaborative in facing the issues. However we all know that real lasting change takes time, as we need to change custom and practice, and avoid unintended consequences.

But if we needed any more of an incentive to change, then Brexit may provide it.

I have to say that compared to the benefits of digitalisation and the Hackitt recommendations, I find it hard to see positive changes coming out of Brexit. But regardless of the outcome, we’ll almost certainly have to raise our game and find ways to be more productive, more competitive both home and abroad, and more attractive as employers.

Since the Referendum, the CPA has aimed to play the role of ‘critical friend’ with government, helping them understand our industry and the impact of their policies. The team has been consulted almost weekly from various departments on issues ranging from housing material shortages to regulatory issues, trade and investment.

Alongside other like-minded trade bodies, we have helped moderate some of the worst ideas, such as choking off access to skilled labour or sacrificing some sectors in the name of attracting inward investment.

Our greatest frustration, however, has had less to do with future policies and more with that lack of bandwidth I mentioned earlier. The government has clearly taken its eyes off the ball when it comes to the delivery of its pipeline of infrastructure projects up and down the country.

We’ve commended the government for publishing its pipeline of 700 projects. But as the CPA’s economics team has consistently pointed out, the reality on the ground is that this is more of a wish list than a pipeline.

The CPA’s Spring Forecasts will come out next week, and it will be no surprise to see the same criticism reflected there. Infrastructure is expected to be the key driver of growth for construction in the next couple of years, but it is essential that government focuses more on delivery, than on playing a PR game.

The Forecast will show mixed fortunes elsewhere: the continued strength of private housing, but a commercial offices sector that is mostly weakening.

However, there may be a ray or two of hope to come out of Brexit: the industrial warehouses sector seems to be going well; apparently as a result of some stockpiling that’s been taking place!! And even the ports sector may see double-digit growth over the next year or two!

It’s a strange new world when you have to rely on economists to find a silver lining!

Every quarter, the CPA organises meetings for its members to come around the table and discuss the issues at hand. For the last two and half years, we’ve heard more and more evidence of cancelled investments, project delays, frozen headcount and stockpiling, which is tying up capital without generating real value. So with the recent extension to the deadline, we find ourselves again with ongoing uncertainty.

Our industry is at a very sensitive time. There’s serious upside risk and serious downside risk. And we know that you’re all taking a hard look at your bottom line, demanding the most of your people and assets. That’s why the CPA appreciates more than ever your membership and your appreciation for the role the CPA Team plays on your behalf.

With your support and input, we’re facing these challenges from a position of strength, both as an organisation and as an industry. It’s because of that strength that I’m confident we’ll weather the challenges ahead.

On a final note, I’m sure you are aware that Diana is handing over the reins to Peter Caplehorn next month as Chief Executive, although she will be continuing to support CPA on a part-time basis. Over the past seven years, Diana has helped drive the profile and reputation of the CPA to new heights. She certainly hands over the organisation in a position of strength and I am confident it will be in good hands with Peter and his very hardworking and respected CPA team.

Diana, on behalf of all the members, as well as our colleagues across industry, I’d like to register my sincere thanks for the great work you’ve done over the last seven years and for all you’ve done as Chief Executive in leading the CPA through some of the most challenging times. I’d like to wish you all the very best in your Semi-Retirement.

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**Guest Speaker - intro to Nick Raynsford**

Ladies & Gentlemen, I spoke earlier about the importance of infrastructure. There are few from the policy world who appreciate that argument more than our guest speaker. Few, indeed, who have understood our industry so well, warts and all, and yet lobbied for its success so passionately over the years.

Nick Raynsford is most familiar to us from his nearly 25 years of public service as a Labour MP, until his retirement from Parliament in 2015.

His ministerial career included Local and Regional Government; Housing and Planning; and Construction. I’m willing to bet that we won’t see a Construction Minister with such commitment and staying power for a long time to come.

His ministerial and parliamentary achievements are too numerous to mention here, along with the many prestigious director roles and fellowships that were bestowed. Most recently, however, since 2015 he has served as the President of the Town and Country Planning Association, and this year he became the Deputy Chairman of Crossrail.

We’re very happy to have him with us today, to share his thoughts on the challenges ahead.

Ladies and Gentlemen, Mr Nick Raynsford…