



From the **BMF**

**June 2018**

## Business News

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## News

### New BMF members:

We welcome the following companies who joined the BMF in May 2018:

- Kamarin Computers Ltd
- Farmac Timber & Building Supplies
- Norgrove Building Supplies Ltd
- Marker Industrial T/A JCB Paints

### BMF shortlisted for five trade association awards

The BMF has been shortlisted in no fewer than five categories in the Trade Association Forum (TAF) Best Practice Awards. The BMF has been shortlisted for the following awards: Conference of the year, Commercial initiative of the year, Membership engagement award, Social media award and website of the year. Read more [here](#).



### Grundfos hosts latest BMF regional centre of excellence

The BMF has launched its 19th Regional Centre of Excellence with the support of Grundfos. The growing network of BMF Regional Centres of Excellence is making training courses and regional meetings more accessible to BMF members around the country. The latest centre, based in Grundfos's fantastic office in Leighton Buzzard, will serve BMF members in the South East. Read more [here](#).

### Mayor backs opportunities for WM Young builders' merchants

Andy Street, Mayor of the West Midlands, today praised the commitment of the BMF for encouraging more young people to enter the building materials industry. Read more [here](#).

### BMF completes cyber essentials certificate with GDPR/Cyber audit plus service

The BMF has completed the Cyber Essentials certificate, ahead of the introduction of the General Data Protection Regulations (GDPR) law 25 May 2018. Read more [here](#).

## **BMF wins ASI aware for second time**

The BMF website, launched in April 2017, has recently received the coveted Great Things Award for the second year running, in the annual awards and conference run by the worldwide software company ASI. Read more [here](#).

## **Andrew Harrison and David Kilburn to speak at BMF Young Merchants Conference**

Two of the most influential leaders in the builders' merchant industry will speak at the BMF young merchants conference at the NEC, Birmingham in October. Read more [here](#).

## **Cable praises success of Twickenham Timber business**

Vince Cable, Liberal Democrat Leader was welcomed by Neil Fuller, Alsford Timber's Managing Director, to see for himself how merchants deliver for their local communities. Read more [here](#).

## **BMBI April 2018 data**

### **STRONGER APRIL SALES FOR MERCHANTS**

#### **Year on Year**

Total builders' merchant value sales were up 8.8% in April compared with April last year, helped by two extra trading days and an earlier Easter. Six categories did better, with Plumbing Heating & Electrical gaining 22.5%, followed by Workwear & Safety wear (+17.7%), Kitchens & Bathrooms (+12.7%) and Timber & Joinery Products (+12.6%). Heavy Building Materials, the largest category, was just off the pace (+8.4%) and only Landscaping sold less (-4.3%). Average sales a day, which take trading day differences into account, were down 2.1% on April 2017.



#### **Month on month**

Overall sales in April were 3.5% higher than in March, despite April having one less trading day. However, March was affected by bad weather and included Good Friday this year, both of which held back turnover. Seasonal category, Landscaping (+26.0%) saw the biggest month-on-month increase, followed by Heavy Building Materials (+4.7%). Average sales a day in April were 8.7% higher than March.

#### **Other periods**

The first four months of 2018 were up 2.5% on the same period in 2017, with one additional trading day this year. Plumbing Heating & Electrical (+11.1%) did best, with Kitchens & Bathrooms (+5.7%) also performing well. Average sales a day for January to April were up 1.3% on the same months last year. The rolling 12 months May 2017 to April 2018 were 4.7% above the same period a year earlier, with one more trading day. Plumbing Heating & Electrical (+8.7%) was strongest.

#### **Index**

April's BMBI index was 116.1, with one less trading day. Landscaping was top (132.1) followed by Plumbing Heating & Electrical (120.4). Eleven of the 12 categories exceeded 100.

[Please click on the icon above to view the full report.](#)

## **BMF Events**

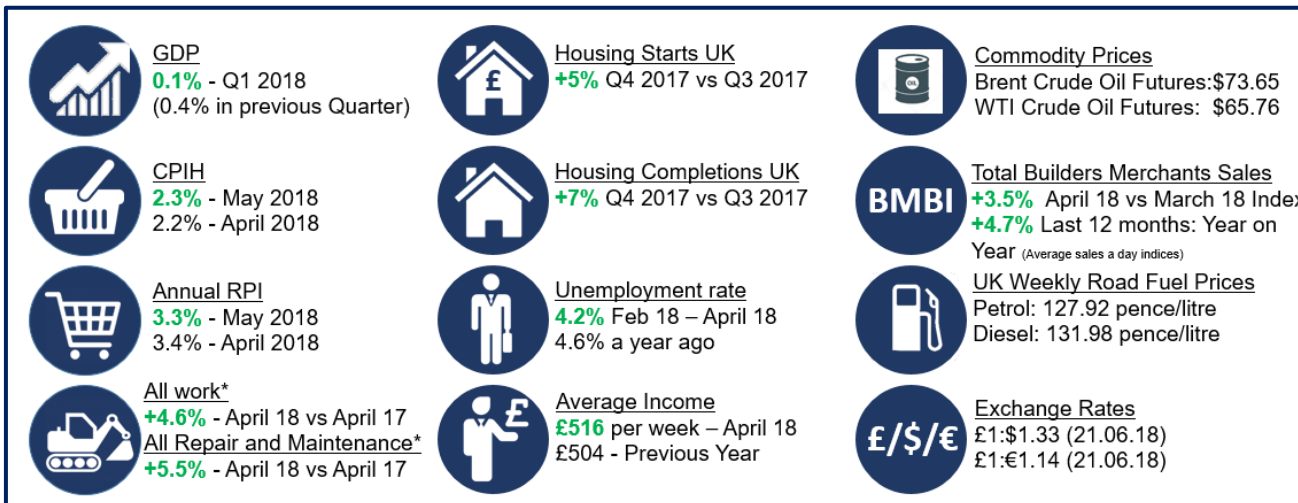
For all BMF events such as forums, regional meetings and members day, please click [here](#).

## **BMF Training**

For all Training information such as Apprenticeships and courses that are currently running, please click [here](#).

The **BMF has produced a new [Health and Safety Overarching Business Guide](#)**. The **Business Guide** covers 25 topics ranging from Housekeeping waste storage and storage of stock to use of contractors. **Copies can be obtained by emailing [Richard.ellithorne@bmf.org.uk](mailto:Richard.ellithorne@bmf.org.uk)**.

# Economics & Policy



## Growth (ONS):

- UK GDP in volume terms was estimated to have increased by 0.1% between Quarter 4, 2017 and Quarter 1, 2018
- Household spending grew by 0.2%, while business investment decreased by 0.2% between Quarter 4, 2017 and Quarter 1, 2018
- GDP per head in volume terms decreased by 0.1% between Quarter 4, 2017 and Quarter 1, 2018
- Construction sector decreased by 2.7% in Quarter 1, 2018

## Inflation (ONS):

- The CPIH (Consumer price inflation including owner occupiers' housing costs) 12-month inflation rate was 2.3% in May 2018, up from 2.2% in April 2018
- Rising motor fuel prices produced the largest upward contribution to the change in the rate between April and May 2018
- There were also large upward effects from air and sea fares, which rose between April and May this year, influenced by the timing of Easter
- The CPI (Consumer price inflation) 12-month rate was 2.4% in May 2018, unchanged from April 2018

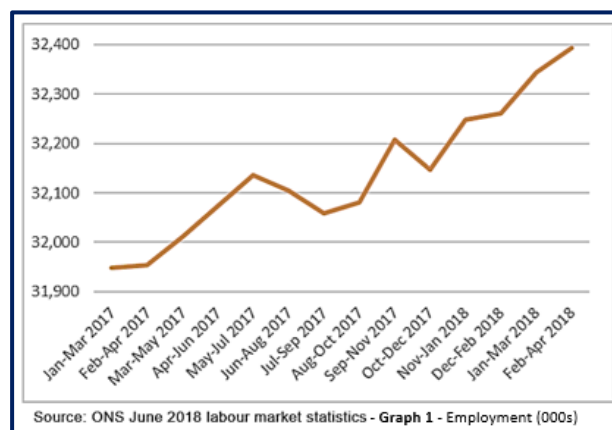
## Employment:

**Strong employment growth continues alongside slow improvement in real pay growth** (CBI Labour market update, June 2018)

ONS data regarding the labour market followed the recent trend of strong employment growth and falling unemployment, however the slow pay growth means living standards remain under pressure.

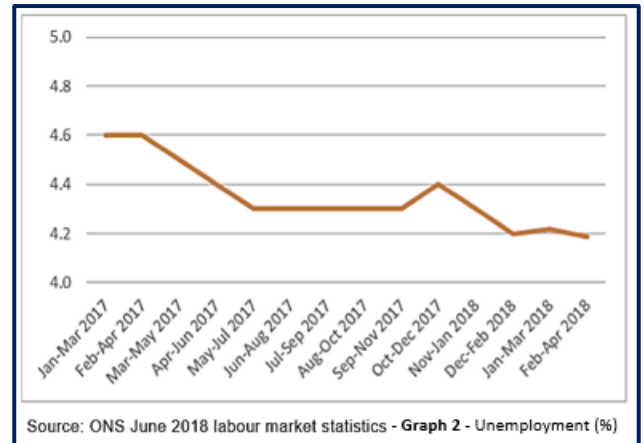
## The employment rate is at a record high...

- Employment rose by 146,000 to 32.39 million in the three months to April 2018 (Graph 1). On a year-on-year basis, employment rose by 440,000
- The employment rate increased to 75.6%, up 0.3% points on the quarter, bringing it back to the joint highest since comparable records began in 1971
- The number of people working full-time increased by 259,000, while the number of part-time workers increased by 181,000



### ...while unemployment continues to fall

- Fall in unemployment this quarter has mainly been due to a fall in youth unemployment and among those aged 35-49.
- The three months to April 2018 saw a drop-in unemployment of 38,000 on the quarter
- The unemployment rate was at 4.2%, down by 0.1% point compared to last quarter and again the lowest since 1975 (Graph 2)
- The inactivity rate is now at 36.2% for the three months to April 2018, down by 0.2% on the quarter and the joint lowest since 1991



### Regional employment & unemployment:

- In the three months to April 2018, employment grew in the West Midlands, the East, London, East Midlands, Yorkshire & the Humber, North East, South West and Wales
- London was the only region to see a significant rise in unemployment
- Unemployment decreased in Yorkshire & the Humber, East and South West

### Living standards remain under pressure:

- Nominal regular pay growth (excl. Bonuses and before adjusting for inflation) decreased by 0.1% pts in the private sector to 2.9%
- Construction sector continues to have the strongest nominal regular pay growth in the three months to April 2018 (+5.1% on the year) – the fastest since mid-2008
- Manufacturing, wholesale and construction have seen more significant changes in workforce jobs year-on-year. Workforce jobs in construction declined by 17,000 (Graph 3)



### Policy:

#### May wins vote on customs in boost for her Brexit vision (Reuters)

Prime minister, Theresa May won a vote in parliament on Wednesday that threw out a proposal which would have forced the government to report on the efforts it had made to negotiate membership of the European Union's customs union.



#### Theresa May's Government will fall if MPs reject Brexit deal, senior Tory predicts as PM attempts to appease remainder rebels (The Telegraph)

Theresa May's government will fall if parliament rejects her Brexit deal, a senior Tory MP has predicted. Tom Tugendhat, the Conservative chairman of the Foreign Affairs Select Committee, said there would be a "new government" if Mrs May lost the so-called "meaningful vote" on the terms of withdrawal, due to take place in October. Mr Tugendhat's warning came as the Prime Minister continued to wrestle with a demand from Tory Remainer rebels to hand Parliament the ability to direct negotiations if it rejects the final deal. Tory Brexiteers are fiercely resistant to the idea because they believe it could effectively be used as a Brexit veto to keep the UK in the European Union. The UK will officially leave the EU at 11pm on 29<sup>th</sup> March 2019.

#### Supreme Court rules plumber in gig economy entitled to worker rights (Reuters)

Britain's Supreme Court ruled on Wednesday that a plumber hired on a self-employed basis was entitled to workers' rights, in a case that could increase pressure on firms in the gig economy to change their business models. Features of Gary Smith's contract such as minimum hours on agreed days indicated he is a worker

for Pimlico Plumbers and was not self-employed. On Wednesday, Supreme Court judges agreed with that decision and ruled against an appeal by Pimlico Plumbers. Those categorised as workers receive the minimum wage, holiday pay and rest breaks prompting unions to take legal action to end what they say are exploitive practices in the gig economy, where people tend to work for several firms without fixed contracts. Those categorised as 'self-employed' receive only basic protection such as health and safety. A government consultation on the review closed on June 1, with no date yet announced for the conclusions to be released.

## Construction & Housing

### Construction:

Main points (ONS Construction output statistical bulletin April 2018):

- Construction output continued its recent decline in the three-month on three-month series, falling by 3.4% in April 2018: the biggest fall seen in this series since August 2012
- This was mainly due to the decline in repair and maintenance and new work which fell 3.0% and 3.7% respectively.
- Following three consecutive months of contraction in the month-on-month series at the start of 2018, construction output experienced a slight recovery in April 2018, increasing by 0.5%
- Total construction new orders also decreased in Quarter 1 (Jan to March) 2018, falling by 4.6%, driven by the continued fall in all other work new orders.



### Housing:

Key facts & figures (ONS - UK House price index summary: April 2018):

- Average price of a property in the UK was £226,906
- UK house prices rose by 3.9% in the year to April 2018, down from 4.2% in the year to March 2018
- In England, the average price increased by 3.7% over the year
- On a seasonally adjusted basis, the number of transactions on residential properties with a value of £40,000 or greater was 100,190 (UK Property Transaction Statistics: April 2018)
- On a seasonally adjusted basis, 62,455 mortgages were approved in April 2018 – a decrease of 347 mortgages from the prior month (Money and Credit release: Bank of England)

CPA facts & figures:

- Construction output is forecast to remain flat in 2018 before growth of 2.7% in 2019
- UK GDP is expected to grow by 1.3% in 2018 and 1.4% in 2019
- Commercial output is forecast to fall by 7.8% in 2018 and 0.8% in 2019
- Private housing output reached a record high of £32.2 billion in 2017
- Construction activity in Q1 largely affected by Carillion liquidation and poor weather. Carillion liquidation has affected sub-contractors and suppliers further down the chain affecting forecasts

## Legal (Transport and Health & Safety)

### Transport:

Transport for London (TfL) has backed down from requiring mandatory driver training as part of its Direct Vision Standard (DVS) and Safe Permit Scheme. It will only be an 'advisory undertaking', instead of being a key element of the 'safe system', meaning cost and time savings for members. As things stand, operators applying for a permit will be asked to demonstrate that they plan to train all drivers on the safety of vulnerable road users, but it will not be a legally enforceable element of the safe-system.





All goods vehicles entering London from 26 October 2020 will require an HGV Safety Permit. To obtain a permit, vehicles will have to meet the one-star DVS rating or evidence will have to be if they meet the requirements of the safe system. Further public consultation will take place on DVS and the Safe Permit Scheme in early 2019.

Find out more by reading TfL's further guidance on the Direct Vision Standard and Safety Permit Scheme [here](#).

### Reminder - changes to DVSA's defect reporting

A reminder that from 20 May the Driver and Vehicle Standards Agency (DVSA) is changing the way that it categorises and reports defects. The revised inspection manual for HGVs may be found [here](#). The manual sets out the standards followed by DVSA staff when carrying out a lorry or trailer annual test (MOT).

Changes include:

- a different format and layout
- defects being categorised as minor, major and dangerous
- an amendment to the definition of insecure
- the addition of a definition of unsafe modification
- an amendment to the emissions testing standards
- an amendment to the standard for view of the road
- numerous additions in the lighting section
- an amendment to the standards for prohibition at statutory test

DVSA has also published its updated [Categorisation of vehicle defects](#) which sets out how vehicle defects found during roadside inspections or vehicle tests are categorised and what action will be taken.

### Health and Safety:

Fatal injuries arising from accidents at work in Great Britain: Headline results 2016/17 were 137 workers killed at work 2016/17. Statistics can be found [here](#).

A Construction company has been fined £500K after a tipper vehicle driven by one of its employees came into contact with overhead power lines during the construction of a waste transfer station. Read more [here](#).

A company which manufactures and distributes furniture was fined £6,000 for failing to properly assess the risk from exposure to asbestos containing materials. Read more [here](#).

**If you would like any further information on any of these news items please contact:**  
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Every care is taken to ensure accuracy and completeness of the information we give, but the BMF cannot accept responsibility for any loss or damage caused by reliance on this information.



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one voice”

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