



# CIOB 2017 MANIFESTO

## BUILDING THE CASE FOR CONSTRUCTION



The quality of our built environment affects every member of society. It influences productivity and wellbeing at home and at work. It creates and maintains the places that people live, work and play in, the infrastructure that supports them and the services that sustain them.

Construction is one of the supporting pillars of the UK economy, officially contributing around **6.5%** of GDP and employing over **2.1 million** people directly. But this is not giving us the full picture – construction’s impact goes far beyond this.

In order to improve policy making and provide a better understanding of construction’s contribution, we have outlined **five interlinked policy proposals** for prospective parliamentary candidates and the next Government to consider.

1

# CONTINUE SUPPORT FOR THE INDUSTRIAL STRATEGY AND RECOGNISE CONSTRUCTION'S ROLE IN IMPROVING PRODUCTIVITY

The previous Government pledged **£163bn** for construction and **£297bn** for infrastructure projects up to 2020-21. New build construction is also only part of the story: **35%** of construction work is involved with maintaining, conserving or improving existing buildings.

Spending, if carried out wisely, can stimulate local and national economies, support UK manufacturing and improve the quality of life in countless communities. It can also help companies hone their expertise for export.

Investment in the built environment and its workforce has a major bearing on how productive we are as a nation. Better buildings and infrastructure contribute to productivity not just by increasing economic output, but by making people happier, safer and healthier.



## PROPOSAL

The Industrial Strategy is about coordinating a wide range of policies to deliver improvements in the economy. This must continue if we are to make the UK one of the most competitive places in the world to start or grow a business.

Construction does need to improve its own productivity, for example through investment in training and innovation. But to raise UK productivity as a whole, we must look beyond the productivity of each sector. For construction, this means looking not just at how efficient and productive it is, but how effective it is at assisting other parts of the economy to function more productively.

The construction industry should not just be seen as a low-productivity problem; instead it needs to be viewed as a solution, supporting a high-productivity UK.

**TALK TO US ABOUT... our [research into productivity](#) and how we can create a framework for construction and the wider economy to thrive.**

2

## WORK ALONGSIDE THE CONSTRUCTION INDUSTRY TO SUPPORT A ROBUST SYSTEM FOR TRAINING AND SKILLS DEVELOPMENT

Construction directly employs over **2.1 million** people, **6.3%** of total UK employment. It accounts for **one third** of all skilled trades occupations in the UK – larger even than manufacturing – which underlines its importance as an industry that enables economic and social mobility.

The construction industry is generally flexible and has sourced people and resources as it has required them, but data indicates that it could see a **20-25%** decline in available labour within a decade due to an ageing workforce and low levels of new entrants.

CIOB believes that, in order to improve productivity both within the industry and the wider economy, it is essential to invest more heavily in attracting new entrants to the industry, as well as improving the skills of the existing workforce. To do this, the industry needs assurances from Government that a stable pipeline of work will be in place in order to ensure longevity, even through periods of recession. As a major client of the construction sector, government, both central and local, also has a vital role to play in developing skills, improving productivity and supporting innovation through public procurement.

## PROPOSAL

Tie public investment to training and job creation. It is essential that this process is both efficient and in the best interests of the nation and local communities, especially where public funds are being invested. The CIOB considers that any public investment made should be geared to the long-term aim of developing skilled young people who will be retained by the industry.

**TALK TO US ABOUT... [our professional qualifications](#). As a professional body we are committed to working with government and industry to broaden access to our professions, ensuring that they are an attractive and welcoming career for people from all backgrounds.**



3

## RECOGNISE BOTH THE OPPORTUNITIES AND RISKS THAT BREXIT WILL BRING

The strength of the UK construction industry relies on the expertise and skills of its people. It is also essential that the industry continues to act as a magnet for the brightest and the best professionals from the EU and across the world.

Migration has always been in the DNA of construction, creating a highly flexible workforce. Due to a lack of stability in construction demand, firms will inevitably look to short term fixes overseas to fill skills shortages. Post-Brexit, the UK may well struggle to rely as heavily on migrant labour – which accounts for approximately **12%** of the total workforce, but upwards of **50%** in London – as it has in the past.

With huge demand for future work, the industry, alongside professional bodies, must look to attract new entrants and improve the image of construction. The most effective way to reduce its reliance on migration into construction jobs is for the industry to invest heavily in training, mentoring and developing young UK citizens.

## PROPOSAL

Government must confirm the status of non-UK EU nationals working in the UK, securing their future contribution to the development of the UK built environment. Going forward, Government must work with industry to develop a migration system that ensures the industry continues to attract talent from the EU and across the world.

**TALK TO US ABOUT... [our research into migration](#) and collaborative work alongside other professional bodies to ensure construction is recognised as a high-priority sector in Brexit negotiations.**



4

## ENSURE QUALITY IS AT THE HEART OF THE NATION'S CONSTRUCTION PROGRAMME

The UK's leading product, environmental and professional standards are central to its success nationally and internationally. Professional services associated with construction and architecture are a UK export success story and this market continues to expand.

The UK has led the way globally in demanding and delivering a regulatory regime that supports high quality design and construction. This is helping make construction greener, safer and more efficient. The Modern Slavery Act is also ensuring that businesses and their supply chains are acting ethically and responsibly.

However, recent high-profile incidents have highlighted build quality deficiencies, both in new build and retrofit projects. Quality must not be compromised in the name of cost or time; the industry must do better and cannot become complacent. After all, poor buildings and infrastructure burden the economy and have consequences for our health, wealth and wellbeing.

Brexit should also not be seen as a vehicle to undermine existing standards. Smart regulation that continues to challenge the industry to build better and more productively will ensure that the UK construction sector remains a world leader. Meanwhile, professional bodies must continue to lead by providing high ethical standards that are maintained and enhanced through a professional's career.

## PROPOSAL

Government to challenge the industry to build better, by maintaining and improving existing standards. A new relationship with the EU and beyond should not be associated with a race to the bottom, the costs of which future generations will live with. For the construction industry, continued promotion and protection of codes and standards is at the heart of ensuring that the UK can continue to open up new opportunities both at home and abroad.

**TALK TO US ABOUT... our ethical standards and efforts to improve how the industry [tackles modern slavery](#).**



5

## FOCUS ON REGIONAL INVESTMENT IN CONSTRUCTION TO REBALANCE THE UK ECONOMY

Successive governments have highlighted the unbalanced nature of the UK economy, which only works for part of the population. In 2015, London's total GVA of **£378 billion** accounted for nearly **23%** of UK GVA, with the South East contributing a further **15%**. This is also evident in construction where London accounts for a disproportionate **20%** of all construction work.

An unbalanced economy relies heavily on credit and high spending. It is hampered by falling or stagnating productivity, a decline in investment and unsustainable rises in asset prices like housing. And a lack of stable investment on a regional level in volatile sectors such as construction and manufacturing is set to cause further imbalances.

Construction both benefits from regional economic growth and drives future growth. Business investment is drawn to regions with high quality infrastructure and an attractive building stock.

## PROPOSAL

The CIOB believes, in key regions, the Government should seek to promote 'clusters' of construction related businesses, each to act as a hub for excellence to stimulate innovation, create greater opportunities for networking and sharing of ideas. The LEPs could be the fundamental vehicle to achieve this.

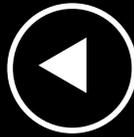
Located near universities with a strong tradition in construction and engineering, these hubs would operate in a similar way to existing science parks, helping to group a range of built environment-related businesses. Through this, training and support could be delivered more efficiently and effectively.

This would make regional firms more effective in their local market and more attractive in the national market and overseas.

Incentives would need to be provided, for example in the form of lower rents, lower rates or enhanced services. In exchange, there will be a willingness to provide stronger connections between businesses and universities, through student placements, specialist lectures or site visits.

**TALK TO US ABOUT... our forthcoming investment research, which aims to equip policy makers with the means to make better informed decisions about investment in the built environment.**





**RETURN HOME**

## ABOUT THE CIOB

The Chartered Institute of Building is the world's largest and most influential professional body for construction management and leadership. Our 45,000-strong global membership encompasses decision makers across all built environment disciplines from planning and design to construction, sustainability and facilities management.

Our members have led or taken senior positions on some of the UK's most high-profile projects, as well as thousands of smaller schemes in both the public and private sectors.

In addition to accrediting university degrees and educational courses, we also promote innovative practices and celebrate excellence globally. Through our Royal Charter we are committed to improving the natural and built environment and working towards the betterment of society.

Visit our dedicated Policy and Public Affairs website <https://policy.ciob.org> to see our latest initiatives, research and publications.

**GET IN TOUCH WITH US:** [policy@ciob.org.uk](mailto:policy@ciob.org.uk) or 01344 630700



The Chartered Institute of Building,  
1 Arlington Square,  
Downshire Way,  
Bracknell,  
RG12 1WA, UK  
Tel: +44 (0) 1344 630700

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