

## Infrastructure and Clusters

This deal is committed to helping life sciences clusters flourish, such as the Oxford-Milton Keynes-Cambridge corridor where the government is investing

in housing and infrastructure projects. Further regional approaches, including in the north of England via the Northern Health Science Alliance, are expected for further phases of the deal.

## Construction Sector Deal

*The government and the construction sector, through the Construction Leadership Council and with the leadership of Andrew Wolstenholme, have agreed a Sector Deal to transform the productivity of the sector benefiting the wider economy.*

Construction is one of the largest sectors in the UK economy - with a turnover of £370bn<sup>194</sup>, contributing £138bn in value added to the UK economy<sup>195</sup> and employing 3.1 million people (9 per cent of the total UK workforce)<sup>196</sup>. The deal will substantially boost the sector's productivity, through greater investment in innovation and skills, creating new and well-paid jobs and maximising its export potential. This will also reduce the environmental impact, improve the efficiency and reduce whole life cost of new projects and buildings to help build the houses, schools, hospitals and major transport projects

we need.

### What is in the deal?

The deal, the first of a series we intend to negotiate with the construction sector, contains commitments to work collaboratively in three key areas:

#### Procuring for Value

In the months ahead the sector and the government will work to ensure construction projects across the public and private sectors are procured and built based on their whole life value, rather than just initial capital cost. The sector will aim to develop a procurement standard and work with the Infrastructure and



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Projects Authority to develop cost and performance benchmarks for assets and contractors and monitor outcomes including increased housing capacity, productivity and pre-manufactured value among other initiatives.

### **Industry-led Innovation**

A joint commitment to invest in a transformative programme which brings together the construction, digital technology, manufacturing, materials and energy sectors to develop and commercialise digital and offsite manufacturing technologies. This will accelerate change in the infrastructure and construction sector, ensuring new technologies that can help deliver the government's planned investments in infrastructure and our 2015 commitment to deliver a million

homes by the end of 2020 and half a million more by the end of 2022 are commercialised as quickly as possible.

### **Skills for the Future**

The construction sector, with support from the government, will work closely in the coming months to drive increased investment in skills development, whilst adopting a more strategic and co-ordinated approach to recruitment, and equipping workers with the skills that they will need for the future. This will be achieved through a joint commitment to implement reforms to the Construction Industry Training Board to make it more strategic and industry led, and to enable the sector to make best use of funding from the Apprenticeship Levy.

