

Roadmap to Recovery: An Industry Recovery Plan for the UK Construction Sector **Status Report, October 2020**

1. Executive Summary

Covid-19 is one of the biggest challenges facing the UK today. In July 2020, even though most restrictions on economic activity had been lifted, GDP remained 11.7% below the levels seen in February 2020 before the impact of the pandemic (ONS, July 2020). Government moved swiftly to introduce a comprehensive package of support for businesses, including paying the wages of nearly 12 million people and supporting over a million businesses through grants, loans and rate cuts. More recently, a new Job Support Scheme and a six-month extension of the Self-Employment Income Support Scheme will help provide certainty for businesses and workers.

The construction industry has a key role to play in leading the nation's recovery, and in the delivery of economic priorities including levelling up, raising productivity and achieving net zero. Construction acts as a vital growth multiplier, with every pound spent on construction and infrastructure generating an estimated of £2.84 in total economic activity. The Construction Leadership Council (CLC) also moved swiftly to set up a Task Force to support the sector during the pandemic which has seen the industry come together to deliver a three-phase recovery strategy, *Roadmap to Recovery*. The first phase (Restart) is now complete. This Status Report highlights what has been achieved to date.

2. Roadmap to Recovery

Roadmap to Recovery was published in June 2020. The strategy aims to increase the level of activity across the construction ecosystem, accelerate the process of industry adjustment to the new normal, and build capacity in the industry to deliver strategic priorities – so securing the future of construction businesses and supply chains while setting the industry on a sustainable path to recovery. Its three phases are to be delivered over two years:

- **Restart:** increase output, maximise employment and minimise disruption (0-3 months);
- **Reset:** drive demand, increase productivity, strengthen capability in the supply chain (3-12 months); and
- **Reinvent:** transform the industry, deliver better value, collaboration and partnership (12-24 months)

An overview of the three phases are at Annex A and a more [detailed version](#) is on the CLC website. The CLC believes its approach is working with many of its early recommendations already making a difference across the industry and the country.

3. The Impact of Covid-19 on Construction and its recovery

Construction output fell by 10.6% in the three months to July 2020 compared to the previous three-month period (ONS, July 2020). However, prompt and collaborative action by the industry has safeguarded employee health and maintained vital services even in the heart of the crisis, for example, building new capacity for the NHS, including the Nightingale hospitals, at record pace. With appropriate controls the industry has remained active with the sector projected to grow by +13.9% in 2021 (Experian Construction Forecast, Summer 2020). Whilst the news is positive, there are still risks and a need to remain cautious. That is why a single industry plan co-ordinating activity to restart the whole construction ecosystem is essential.

4. Status Update: Restart

Successes from the Restart phase that are supporting the industry to get back on track include:

Restart work on all projects and programmes, and increase this to the highest level possible consistent with government guidance

- The Government has announced an accelerated pipeline of 340 projects worth up to £37bn from the National Infrastructure and Construction Pipeline, including investment in transport infrastructure, schools and local growth projects. It has also established the [Infrastructure Delivery Task Force](#), led by the Chancellor of the Exchequer, to improve the speed of delivery of government funded infrastructure and construction projects.
- The CLC has published the Site Operating Procedures to help construction sites operate safely. CITB produced a range of [Covid-19 safety checklists and forms](#) and a [list of Covid-19 related toolkits](#) have been published on the CLC website since March 2020.
- Home purchasers using the Help to Buy scheme are helped by an [extension of the physical completion date](#) for purchases to March 2021.
- [Working hours on sites have been extended](#) where it is reasonable to do so to ensure safety via social distancing and planning expiry dates have been extended so permissions are not lost due to Covid-19 disruption.
- Acceleration of the existing ACM cladding remediation programme and the new £1bn [non-ACM Building Safety Fund](#) are underway.
- A CLC Product Availability Group is sharing information about material and product supply across the industry, so providing early warning of supply disruptions.

Maximise employment of all those working in the construction industry and supply chain

- The CLC's [Talent Retention Scheme \(CLC TRS\)](#) provides a portal for the construction workforce to showcase their experience, expertise and skills to firms recruiting staff. The Scheme is a not for profit programme supported by member organisations, professional institutions, unions and others. Following support from the Government, the TRS is being provided free until April 2021.
- CITB support is in place to move workers off the Job Retention Scheme as soon as possible, and to restart the training of apprentices.
- A [CITB Industry Stabilisation Plan](#) covers suspending Construction Levy payments and accelerating the award of grant funding.
- Online learning tools are available to support apprentices and others to continue their learning until workplace training can resume.

Minimise disruption due to contractual disputes

- Public sector clients are providing supplier relief to contractors restarting and increasing site activity, for example regarding delays, consistent with the approach set out in [PPN 02/20](#).
- An industry commitment to ensure prompt payment to firms within the supply chain is seeing some clients settling invoices more quickly than usual or paying outstanding sums.
- Two sets of [contractual best practice guidance](#) have been issued by HMG/CLC with some progress in resolving contractual issues before these escalate.

5. Status Update: Reset, Reinvent

Further commitments included in *Roadmap to Recovery* are now being implemented to support the ongoing recovery and the longer-term objectives of industry transformation and building a better and stronger industry. These include:

- The construction industry and Government are collaborating to develop a Construction Playbook, to grow a more consistent approach to the procurement and management of government construction projects, and to cultivate a stronger and more sustainable relationship between Government and the industry.
- The [Green Homes Grant](#) will invest £2 billion of grants to support households to improve energy efficiency, as well as a £1 billion investment in retrofit projects to improve the energy efficiency of public sector buildings such as schools and hospitals.
- A commitment to embed emerging innovations from the [Transforming Construction Challenge](#) and [Construction Innovation Hub](#). The first innovations, such as a concrete curing predictor, have already been adopted on a number of projects and is delivering benefits (£136m projected so far).

- The Construction Industry Training Board will publish a Skills Plan for the industry in November 2020.
- Continuing to work to embed better, fairer contract terms which seek to minimise disputes, and include provisions to deal with future challenges including Covid19 and the end of the Transitional Period on 31 December.
- The CLC guidance on [trade credit insurance](#) during Covid-19 has been updated to reflect the latest Reinsurance Scheme information. This includes a list of participating insurers and scheme rules.

6. Next Steps

Roadmap to Recovery is a two-year strategy. The CLC believe the strategy is the right approach at this current time but will review the actions on an ongoing basis and in response to events, for example, following the end of the Transition Period or as new priorities emerge. Beyond the strategy, the CLC will continue to work to support the transformation of the construction sector to become more productive, efficient, sustainable and safer, and a sector which consistently delivers value to its clients. The CLC is restructuring to deliver this. Its new strategic approach will focus on delivering a better industry through the themes of:

- Delivering a national strategy for retrofitting homes and buildings as an essential step towards achieving net zero carbon by 2050
- Ensuring vital building safety improvements are delivered
- Funding to unlock infrastructure that enables local regeneration programmes and supports levelling up
- Maintaining the UK as a global leader for digitalisation of the built environment, including National Digital Twins
- Improving the recruitment, training and reskilling of the construction workforce to ensure firms across the sector have access to the skills that they need, including those required to support modern methods of construction
- Demand-side support for the housing sector in accordance with the build back 'better and greener' philosophy.

The new CLC structure was launched by Minister Zahawi on 6th October as part of UK Construction Week, alongside a new updated [website](#), to better deliver these priorities as part of *Roadmap to Recovery*.

Annex A: Roadmap to Recovery Overview

Phase	What
Restart (1-3 months)	1. Restart work on all projects and programmes, and increase this to the highest level possible consistent with Government guidance
	2. Maximise employment of all those working in the construction industry and supply chain
	3. Minimise disruption due to contractual disputes
Reset (3-12 months)	1. Demand and Pipeline - demand and supply-side measures to increase workload across infrastructure, construction, housing and domestic new build and RMI. Develop a robust pipeline of work across the whole construction ecosystem, including contracting, SMEs, merchants and manufacturers.
	2. Productivity – new approaches will be needed to compensate for the loss of productivity due to the requirement to implement Government guidelines across construction and the built environment
	3. Professionalism – investing in training, collaborative business models, fairer contracts and payment
Reinvent (12+ months)	1. Transformation – sustain economic growth through the adoption of digital and manufacturing technologies to consistently deliver low carbon, sustainable and better quality outputs and outcomes
	2. Value – adopting procurement models and approaches across the industry and clients to deliver better value and whole life performance
	3. Partnership – stronger partnerships between the industry and its clients, supply chain firms, investment in upskilling the workforce