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CLC News Release

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Building better: CLC announces plan to boost industry productivity by 25%

A potential £45bn of savings and additional value could be generated by improving construction productivity.

- Productivity per person in construction is higher than the wider economy – but the sector is significantly behind on productivity per hour worked.
- The cost of errors in construction is estimated to be worth seven times the annual total profit generated by the UK industry.

Boosting productivity in the construction sector could generate £45bn of additional added value each year for the UK; equivalent to 2% of UK GDP; and enough to build more than 220,000 houses a year or pay for two thirds of the UK's ten-year infrastructure pipeline, including covering the cost of both HS2 and the new nuclear programme.

The Construction Leadership Council has today [published a new report](#) containing first of a kind analysis exploring the potential for the UK industry to transform its productivity, identifying three areas where billions of pounds of savings could be made, or additional value generated for the UK economy.

The analysis, which draws on ONS data and existing industry research, explores why average productivity per worker in construction lags 13.5% behind the wider economy and suggests that the introduction of a number of measures – many of them already in the process of delivery – could boost productivity by up to 25%.

For the first time, the report includes a detailed breakdown, issue by issue, of the potential benefits of boosting construction productivity; demonstrating the urgency of the issue and the scale of opportunity on offer if the challenges can be addressed.

The three key focus areas identified by the report are:

- **Better preparation: creating a productive environment to develop and deliver projects;** through reforming the planning process for housing and major infrastructure projects; showing consistent leadership in project scope, creating more effective delivery teams, improving supply chain relationships and more collaborative working during the design process; **delivering a potential 17% productivity boost and £30bn in annual value added.**
- **Better building: delivering construction more productively; through maximising the use of Modern Methods of Construction,** supporting workers in the industry to re-skill and extending their careers; and reducing re-work through the elimination of errors; **delivering a potential 7% productivity boost and £12.7bn in annual value added.**

- **Better business: supporting our industry to do business more productively;** through supporting digital investment for SMEs, better utilisation of capital and improved data on productivity at a sector level; **delivering a potential 2% productivity boost and £2.8bn in annual value added.**

Richard Robinson, Deputy Chair of the Construction Leadership Council and Chief Executive Officer, UK & Europe at AtkinsRéalis, said:

"Improving the construction industry's productivity offers the UK one of our largest economic opportunities. If we can build faster, at a reduced cost, we can spur growth and job creation across the UK – delivering the places and infrastructure our communities want and our economy needs without delay.

"At a time when construction costs and the complexities of planning policy are rightly under scrutiny within the UK, this latest report from the CLC lays out the scale of the opportunity and sets out a roadmap to partner with Government to help us realise it. This isn't just something that benefits our industry – it's something that could be transformative for the entire country."

The report includes a series of recommendations and measures for industry and government to follow, many of which are built on already existing programmes of work; highlights of these include:

- Reform planning: Allow industry to pay increased planning fees in returned for guaranteed standards of performance, learning from the best of the current planning authorities who already deliver efficiently.
- Streamline planning data: Creating and champion a new data framework that enables digitisation of the Planning system
- Showing consistent leadership in infrastructure planning: Adopt the proposed National Infrastructure Commission recommendations around accelerating the planning process for Nationally Significant Infrastructure Projects.
- Supply chain development: Work with the industry to bring about widespread fair and balanced commercial terms and payment practices.
- Enhanced quality and assurance; both culturally on large programmes and to understand the link between enhanced competence of domestic builders to improve quality and productivity and if sufficient, introduce licensing.
- Set out a clear policy and regulatory roadmap to accelerate domestic retrofit across UK housing stock.
- Organise Government project data: Implement the information management framework within Government procurements to drive consistency and efficiency for clients and asset owners.

The measures in the report will be built into the existing Construction Leadership Council Next Generation Delivery programme.

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About the Construction Leadership Council (CLC)

The CLC's mission is to provide sector leadership to the construction industry. The expanded CLC has twelve workstreams that operate collaboratively to address the biggest issues facing the sector. Workstreams include skills and inclusion, building safety, Net Zero and business models. The CLC is co-chaired by the Minister for Business and Industry, and Mark Reynolds, Mace Group Chairman and Chief Executive .