

PROMOTING THE IMPORTANCE OF THE CONSTRUCTION SECTOR

CBI CONSTRUCTION COUNCIL

JUNE 2014

Purpose

- At the Construction Council meeting in March the council agreed that the top priority for the CBI's work on construction in 2014 was a campaign to promote the importance of the construction sector amongst politicians and policy makers.
- At a roundtable in May with external affairs and communication experts from across the construction supply chain and our trade association partners we have shaped our campaign plan and proposed priority messages for government.
- We would like to agree these with you today and discuss how we can best work with the council to ensure you have a loud and active voice on these issues.

The construction sector is often poorly understood and undervalued by politicians and policy makers...

Why are we running this campaign?

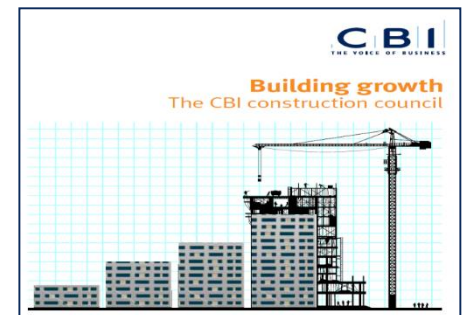
- We believe the construction deserves to be championed for its contribution to both the economic and social prosperity of the UK.
- The sector is poorly understood and the importance of the industry is not adequately recognised within government.
- With the recent economic upturn and the general election only a year away, now is an opportune moment to launch this campaign.

What do we want to achieve?

- To boost the profile of the construction industry by highlighting its contribution to the UK economy and deepen the understanding of the sector amongst policy makers and politicians.
- To boost the profile of the industry among policy makers and politicians.
- To lay the groundwork for the successful pick-up of key recommendations by government.

What will success look like?

- Successfully influencing election manifestos to ensure they reflect the positive role of construction at the heart of driving growth.
- Key politicians across all political parties and policymakers recognise and understand the critical role of construction in delivering prosperity.
- Ensure the CBI's Construction Council remains the leading voice on construction in the run-up to 2015 so we are well-placed to work with the new government from day one.



... who do not recognise how the construction sector will help deliver prosperity for Britain...

Ensuring growth makes a difference for everyone

- The sector offers 20,000 high-quality apprenticeships each year
- Construction employs 2m people with high levels of investment in skills and training
- The sector has strong links with schools and education institutions

Boosting businesses capacity to grow and compete

- The sectors supply chain is worth £124bn, 93% of which is sourced from the UK, supporting a strong and resilient domestic supply
- There are 234,000 businesses in the sector and 99.9% of firms are SMEs (83% employ no more than one person. Whilst there is much more to do to strengthen the supply chain there has been great progress in collaboration and supply chain development
- There is potential to triple levels of overseas exports of construction services by 2025

Getting Britain building

- The UK's construction sector is world-leading in engineering, design and project management
- Every £1 spent on construction generates £2.84 in wider economic activity, as most of this stays within local economies it also support strong local growth
- The sector has committed to reducing carbon emissions in the built environment by 50% by 2025

... our campaign will present a strong narrative for construction, with priority messages for politicians and a strong sector offer

Construction matters because...

- It touches the lives of everyone in society – from the homes we live in, the roads and railways we travel on and the buildings we work in.
- It is a key enabler of growth right across the economy.
- It is large, complex and diverse and covers a wide range of activities.
- It delivers enormous *social* as well as *economic* benefit to the UK.

To achieve this potential, we need...

- Support for the training of young people to make sure a skills shortage does not hamper the recovery.
- New measures, provided through industrial strategy, to strengthen the construction supply chain.
- Cross-party support for major infrastructure projects.
- To unlock supply in the UK housing market.

With the right environment the sector will be able to....

- Support more apprentices and jobs and strengthen partnerships with education.
- Invest more in supporting training and development of the 2 million workers in the sector.
- Invest more in innovation, sustainable design and domestic supply chains
- Meet rising demand for construction delivering best value for money for the client and continuing to excel in delivering projects on time and to budget.



Construction's contribution to economic growth is now well understood - we need to showcase social value as well...

Construction is an engine of economic growth...

- 93% of the construction supply chain is sourced domestically
- Overall, it is estimated that the industry contributes almost £90 billion to the UK economy each year
- By 2018, CITB estimate the number of people employed in the UK construction industry to climb to 2.59m
- For every home built creates 1.5 jobs directly and supports up to four times that number in the wider supply chain
- For every £1 invested in construction £2.84 is generated in value
- Over 60,000 construction apprentices have started in the last five years.



...and delivers for communities

- Local projects help communities throughout the UK thrive by providing a steady stream of work to young people and supporting local growth
- The construction industry is regionally balanced, rather than being focussed solely in the South East and London, and therefore is a key for a sustainable economic recovery
- Construction plays a vital role in regenerating local areas boosting the long-term health and happiness of local residents
- The construction industry provides excellent training for young people equipping them for the working world and reduce unemployment levels throughout the country
- The sector will help secure a low carbon built environment to help meet our energy and climate change challenges.



... and promote the key areas of competitive advantage we need to champion

Technology

- UK construction businesses are at the forefront of digital innovation, for example, Building Information Management (BIM) which delivers better quality buildings on time and to budget.

Sustainability

- The sector is world leading in sustainable design and delivering a low carbon built environment. The sector continues to drive reform with a commitment to cutting greenhouse gas emissions by 50% by 2025.

Exports

- The UK is renowned worldwide for its construction services: engineering, architecture and consultancy, helping to boost overseas trade. There is a huge opportunity in this area as the value of UK construction services exports are forecast to triple to rise to £4.4 billion by 2025.

How the CBI will deliver this campaign from now through till May 2015 and beyond...

Stage 1: develop narrative and priority messages with members

- Presentation and discussion with CBI Construction Trade Association Council (20th May)
- Task and Finish Group with senior communications professionals from across the sector (21st May)
- Agreement on campaign plan with the CBI Construction Council (4th June)

Stage 2: develop campaign materials

- Launch leaflet on the contribution of the sector in Summer 2014
- Develop new web page with videos, case-studies and infographics
- Create social media strategy
- Write articles and blogs for trade press

Stage 3: high-level political engagement to 2015

- Continued CBI engagement with politicians and policy makers across the political spectrum in the run up to 2015
- Influencing election manifestos to ensure they reflect the positive role of construction at the heart of driving growth
- Priority politicians to attend CBI Construction Council meetings in Q3/Q4 2014
- Keep government's feet to the fire during first 100 days of new parliament in 2015

- 1. *Are we taking the right messages to government?*** (training for young people; supply chain strengthening; cross-party infrastructure support; supply-side measures for housing)
- 2. *What could the sector offer with the right policy environment?*** (apprentices; job growth; investment in skills and training; investment in innovation, sustainability and supply chains; improvements in project delivery)
- 3. *Are we highlighting the right competitive advantages?*** (technology, sustainability and exports)
- 4. *Are there any particular areas within government or the three main political parties we should target as part of this campaign?***