



The Solution **to Jobs and Growth**



The United Kingdom is at a pivotal point

Overview

With rising welfare and security costs placing increasing pressure on public finances, sustained economic growth has become an urgent national priority. History shows that the construction industry has consistently been one of the country's most effective engines for growth, employment, and regional development.

This strength is driven by the sector's extensive multiplier effect: the use of materials manufactured in the UK, the reliance on locally sourced raw materials and components, and the significant employment generated across distribution networks, on site installation, and long term maintenance. Each stage supports skilled jobs, strengthens supply chains, and contributes directly to national productivity.

Reduced demand and rising costs have already resulted in factory closures and the loss of specialist skills. The affordability gap continues to limit the delivery of new homes, deepening an already critical housing shortage. To reverse this trend, targeted support is essential. The construction industry must be empowered to deliver resilient, safe and comfortable homes, prisons, hospitals, schools, and infrastructure that the UK urgently requires.

Economic significance of UK construction

The UK construction industry is fundamentally crucial to the country's economy. Data produced by the Office for National Statistics (ONS), indicates output in Great Britain accounts for £140.6bn in new work and another £91bn in maintenance/repairs.

Construction employs between 2.1 to 3.1 million people, at least 7% of the total UK workforce and there are over 370,000 VAT and PAYE registered construction firms operating across Great Britain.

Manufacturers and distributors of construction products and materials provide employment for at least 373,000 people across almost 24,000 companies that are overwhelmingly based in the UK and have a combined annual turnover of over £62.1 billion (source: CPA). Importantly, construction is an accelerator and, according to Oxford Economics, for every £1 spent in

carrying out activities, it creates £2.92 of value throughout the wider economy. This is a consequence of employment created in supply-chain activities, including materials, components and plant-hire.

Increased energy, transport and employment costs, and a significant demand reduction have already resulted in manufacturers closing production capacity and skilled job losses are prevalent throughout the industry.

4 Steps to Jobs and Growth

1. Accelerate Planning Decisions

- Recent research by Lichfields has established that the average time taken to determine a major outline planning application is now over 2 years.
- Increase funding, staffing, and use of AI technology for local planning departments to reduce delays and provide better information for applicants.
- Introduce statutory deadlines for planning authorities with automatic approvals for straightforward applications if deadlines are missed.
- Simplify the rules on Biodiversity Net Gain, allowing more offsite for smaller sites.

2. Build a minimum of 200,000 new homes every year

- Unlock the housing market by providing urgent help for first time buyers to bridge the affordability gap, remove stamp duty for those over 65 to encourage the release of family homes and reduce rates for all other transactions.**
- Reconsider Mortgage Tax Relief which would reduce the cost of borrowing, and increase people's ability and willingness to buy homes.
- The Government should Act decisively to promote the procurement of UK made building materials to maximise social value, economic security and skilled employment.
- Ensure the planned social and council housing programme includes a presumption in favour of where possible using UK manufactured building materials and local suppliers and contactors.

3. Improve Access to SME's

- Create government-backed loan guarantee schemes for SME developers and builders to help finance land acquisition and construction projects.

- Support lenders willing to finance smaller residential developments.
- Work with procurement to facilitate a greater participation of SME contractors in the delivery of the Warm Homes Plan, building on the trust and confidence earned by local businesses.

4. Speed Up Infrastructure Delivery

- Rebuild the UK's reputation by accelerating the pace and scale of Infrastructure delivery, bringing much needed projects to fruition on time or ahead of program and within budget.

Pillars of growth

Climate Change and Energy Security

Decarbonise our existing housing stock

- Ensure a smooth transition to the Future Homes Standard.
- Commit to a long-term strategy to make our existing homes and buildings more energy efficient and cheaper to run.
- Encourage investment and skills development in the retrofit market.
- Invest in research to better understand the lived experience and measure real outcomes, which is being conducted by the "Centre for Future Homes" Birmingham City University.

Supply Chain Resilience

- Deliver growth and jobs by supporting the UK building materials sector, lowering energy costs, proactively awarding contracts, and supporting investment in the decarbonisation of the industry.
- Provide incentives to encourage companies to manufacture in the UK.

Business Environment

- Reduce employment and energy costs, which are significantly higher than competitor nations.
- Reduce VAT on refurbishment to encourage renovation and retrofit work.
- Remove the Clean Heat Mechanism which is damaging UK manufacturers.
- Reverse recent NI increases that are a tax on jobs.

- Scrap the inheritance tax burden which threatens the future of many family businesses in the sector.
- Expand SME Access to Public Contracts including the Warm Homes Plan.
- Set targets for a greater proportion of publicly funded construction projects to be awarded directly to SMEs.
- Reduce unnecessary pre-qualification requirements and simplify procurement processes.

Housing

Saveills reports that new-build completions in England fell to 190,602 in the year to March 2025, and are projected to drop further to just over 150,000 homes in 2026/27 and 2027/28 due to viability pressures.

The proportion of new houses built by small and medium-sized developers has declined dramatically in the last two decades and now account for less than 10% of all new homes being built. This trend should be actively reversed. Today's new homes are significantly more energy efficient, safer and environmentally responsible than those built even a decade ago but homebuilders continue to struggle due to planning delays, costs, regulations, and skills. Assistance with employment and training costs, improved and simplified access to publicly funded projects, prompt payment and cash retentions, will unlock additional capacity and assist in rebalancing the UK economy.

The Home Builders Federation (HBF) state that the cost of building a new home in the UK has risen by £76,000 per unit since 2020, driven by taxes, regulation and inflation. A shift so large that it is now undermining the viability of housing delivery across much of the country.

We urgently need a replacement for 'Help to Buy' to offer first-time buyers assistance as the current salary multiplier is locking out potential purchasers, creating pent-up demand. The reintroduction of mortgage interest tax relief would stimulate the whole housing market and ensure it's on a long-term, sustainable footing. SME and micro builders are essential if we are to respond to the urgent challenge of delivering the Warm Homes Plan. We need to retrofit and modernise the majority of our 29 million homes and other buildings, as it is the only route to achieve legally binding climate change obligations by 2050.

Amidst a growing housing crisis, sub-contractors are critical to increasing the country's housing supply and supporting the economy. Intervention is needed now to protect smaller businesses. If they are unable to build, they risk having to lay off longstanding staff and subcontractors.

Infrastructure and the Natural environment

Work on current and new infrastructure projects, including road, data centres, electricity, water, reservoirs and sewage treatment, rail construction and repair work, as well as rejuvenating our town centres, should be prioritised with a greater involvement of SMEs.

Their completion will secure social and economic resilience. All work should be carried out to comply with environmental protocols to grow and protect natural habitat. Vitality, as we increasingly cope with the impact of climate change leading to more flooding and wildfires, it is essential we purposely create a more resilient built environment.

Skills and Training

Develop Career Pathways

- Promote the many benefits and prestige of a career in the construction trades as an alternative to jobs that may be replaced by AI.
- Provide financial support for employers to take on apprentices, smoothing the costs associated with taking on trainee staff and helping to ensure a route into employment for new entrants.
- Promote and encourage employers and learning providers to offer more degree apprenticeships, allowing people to earn while they learn. Invest in the skills for new technology such as heat pumps, PV and batteries to ensure we can meet the demand for increased installations and maintenance.

Invest in Skills and Labour Capacity

- Expand funding for colleges, to help recruit skilled trainers to deliver construction qualifications, reimagining the training journey in line with employer needs.
- Support retraining programmes for adults entering construction.

Small and Medium Enterprises (SMEs) constitute around 99.6% of the industry and are critical in the recruiting and developing of the skilled workers urgently needed to deliver a high-quality built environment.

The skills base of the construction sector should be urgently developed to cope with increased activity. Whilst recognising this is a challenge, construction can offer long-term skilled employment opportunities and act as a catalyst in achieving inclusive economic growth.

Critically, construction offers a vast array of opportunities in the trade and professions. As well as providing well-paid employment, such roles are less likely to be affected by the impact of artificial intelligence than in other sectors.

The UK is beset with a construction skills crisis and any increase in opportunities should explicitly address youth unemployment which is part of the 'NEET' problem that's been identified and utilise a 'wartime' approach to identify gaps and attract people into the industry.

This effort should include the education system at school, further and higher education in providing knowledge and skills required by new entrants, as well as upskilling of existing workers to cope with a changing world. This should include the signposting of career pathways and better access to work placements and apprenticeships.

Training provision should be flexible and include provision for night and summer schools, with a focus on traditional skills as well as the installation and maintenance of new technology such as heat pumps, PV and batteries and functional and soft skills to deliver the UK's biggest ever retrofit programme.

There is a capacity gap with colleges often oversubscribed for courses such as bricklaying. Colleges need more funding and incentives put in place to encourage people to become trainers.

The sector is ready. The capability exists.

The opportunity is clear:

It is time to Get Britain Building.



Reconfiguring education and training in construction

Government should alter the rules around the use of the Apprentice Levy to allow for part of apprentice salaries to be covered for the first 12 months. FE Colleges are oversubscribed with those who want to enter the construction industry, but a lack of placements and employers prepared to take on new starters is resulting in too many learners being unable to find employment.

The Intervention of the Department of Work and Pensions and the Youth Guarantee Scheme is welcome, but much more is needed. This will require a substantial publicly funded incentive programme, including courses that are attractive, well-structured and offer long-term incentives aimed at growing and consistent demand.

Certainty is required to drive investment to encourage training providers to organise the right courses explicitly intended for new entrants as well as those for existing workers wishing to upskill or change careers, providing universal access to lifetime learning opportunities,

Economic Resilience

Using domestically produced building products, including masonry, fixings, insulation, heating and ventilation and all other components used in construction would contribute to reducing the UK's £10.8 billion building materials trading deficit. We call upon the government to announce that all future publicly funded construction should, unless otherwise impossible, use materials produced in the UK.

As part of a greener economy, the government should also offer substantial incentives to encourage investment in UK manufactured heat pumps, PV and batteries. This is critical to carbon reduction and the success of the £15 billion 'Warm Homes Plan'. Notably, at present, over 95% of PV is imported. This surely represents an opportunity for domestic manufacturing.

UK carbon accounting rules should be altered to include their source of origin, waste and transportation as well as considering the lifespan of the material

in use and the likely outcome at the end of life. The current practice of measuring carbon from the port of entry into the UK is misleading and arguably unethical, as it fails to take account of production overseas, harvesting of trees and transportation.

Decarbonise our existing housing stock

The current level of Government support for retrofit, which is being matched by industry, is not sufficient and, due to constant changes in policy, there's a lack of trust and confidence needed to invest in manufacturing and skills.

As the overall temperature rises, it is crucial that new buildings, particularly homes, should be constructed to be adaptable and have the thermal mass to keep warm in winter and cool in Summer. Severe weather events, including overheating, droughts, floods, strong winds and wildfires, will become more frequent and every effort should be made to design out threats and adapt for the future.

The country's independent climate advisors identify better cooling, flood protection and a more secure water supply as the most critical priorities to protect the UK from the three biggest climate risks – heat, flooding and drought.

There is a real risk that current Government policy is driving the construction of lightweight homes that will prove not to be fit for purpose in only 20 years' time. Thermal mass, well-designed ventilation and shading will reduce overheating and enhance indoor air quality.

Energy Capacity and Security

Energy resilience and the ability to cope with future shocks are vital to economic stability.

This should include UK-funded investment in nuclear and, equally importantly, hydrogen, to ensure an adequate supply of power for domestic consumers and all sectors of industry.

Made in Britain

The Government should act decisively to promote the procurement of UK made building materials or alternatively, companies who provide significant UK jobs, to maximise social value, economic security, and skilled employment.

The industry has a duty to focus on quality rather than speed and to construct buildings that are safe, adaptable, flexible and built to last at least 150 years. Resilience will become increasingly important as our planet warms. Financial providers and insurers will become more risk averse as claims increase due to wetter winters, extreme weather events and wildfires.

In the transition from the use of fossil fuels that's essential. The high-intensive energy users who are part of the UK building products manufacturing industry should receive more financial support and access to alternative fuels such as Hydrogen across the UK.

Failure to act with urgency now will inevitably mean more building products imported, a worsening of our balance of payments and the threat of irreversible environmental consequences to other parts of the world from mass deforestation and the destruction of natural habitats.

The lack of demand and rising energy and employment costs, have already seen the loss of production capacity and skilled labour. History tells us that such losses are often permanent and inflict long-term systemic harm to the UK economy. This results in uncertainty and a lack of long-term investment in UK manufacturing and skills capacity, which is required to support resilient growth.

About us

The Building Alliance represents building material and product manufacturers, and the **Federation of Master Builders** support small and medium sized builders

Get Britain Building was first launched in response to the economic crash. Today the UK Construction industry is in a worse place than that we experienced in 2008 but as before, it is a big part of the solution to securing the jobs and growth.

Your industry needs you.

Please visit:

www.getbritainbuilding.co.uk
and join the campaign



www.getbritainbuilding.co.uk

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