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#### FOREWORD FROM THE CHAIR

Construction is not only a substantial part of the UK economy but a major factor in the health and wellbeing of our nations.

For 35 years, the Construction Industry Council (CIC) has united built environment professionals, standing as a pivotal collective voice for a broad array of disciplines. Our members represent approximately 500,000 individual professionals and 25,000 construction consultancy firms.

With buildings meant to last generations, we need a high-quality built and natural environment that benefits everyone. A long-term mission driven commitment will bring improved energy, food, and water security, provide safe and sustainable homes, enhance local amenities, foster healthier families, and protect against global heating and biodiversity loss through blue and green infrastructure.

The construction sector is dedicated to achieving these end goals but we need Government to:

- prioritise improving the built and natural environment to enhance national health and wellbeing.
- develop a national roadmap with built environment professionals to urgently address climate change and biodiversity decline.
- invest in innovation and core skills in research, education, practice, and lifelong learning in the built environment.

These objectives are all interlinked. Strong political leadership is vital, now more than ever. If the Government plans and invests in upskilling and knowledge transfer across the built environment, together we will be able to better deliver the change that is needed. This document presents a comprehensive set of joint recommendations from built environment professionals to the Government. It outlines how the new Government can enhance our country's wellbeing and productivity by ensuring a safer, healthier, and more sustainable built environment for all.

Together with our members, the Construction Industry Council is ready to support the new Government in achieving these crucial goals.



Dr Wei Yang
Chair
Construction Industry Council

**July 2024** 

# MAKING CONSTRUCTION THE NATURAL CHOICE FOR GROWTH AND WELLBEING

- **1. Encourage a stronger focus on blue-green infrastructure (BGI) measures** within all Government departments, such as accounting for BGI within asset management processes in public sector projects.
- 2. Work with industry stakeholders to set out a delivery schedule and introduce legislation to make Sustainable Drainage Systems (SuDS) mandatory for new builds in England.
- **3. Take action to expand and protect urban green spaces**, by consulting immediately on mandating local authorities to use Natural England's Green Infrastructure Framework.
- **4.** Introduce a statutory requirement to protect and provide urban green space as an integral part of plans to resolve the housing crisis.
- **5.** Improve the infection resilience of the UK's built environment and transportation systems by implementing the recommendations of the Infection Resilient Environments report by the Royal Academy of Engineering and National Engineering Policy Centre.

#### MAKING CONSTRUCTION THE NATURAL CHOICE FOR GROWTH AND WELLBEING

The built and natural environment we maintain and deliver today is likely to encounter the worst impacts of climate change in the UK. Global heating presents a high and immediate risk to human health, wellbeing and productivity. The last few years have shown the stark consequences of climate change inaction and our building stock will need to be robust and resilient in the face of threats including overheating, flooding, drought, high winds and driven rain. Put simply: developing and investing in long-term resilience measures will prevent lives and property from being destroyed.

Fulfilling our urgent – and legal – obligations to address global heating and biodiversity decline also offers the opportunity to make our built environment greener, healthier and more inclusive.

Nature-based solutions such as urban greening and Sustainable Drainage Systems (SuDS) can help address the implications of a changing climate by cooling urban areas and reducing surface water flood risks. This will require a move away from short-term decision-making and an emphasis on spatial planning with more productive engagement between Government's planning and environmental functions.

Trees, parks and bodies of water have a host of co-benefits for health, wellbeing and sustainability. Communities need adequate and equal access to high quality green spaces yet there is no requirement for local authorities to protect, provide and maintain such spaces. Research has shown that people without patios and gardens experienced greater mental health challenges during the Covid-19 pandemic than those who had access to their own outdoor space.

# EMBEDDING CHANGE BEGINS AT THE TOP

- **6.** Appoint a dedicated Construction Minister with cabinet level input and cross-departmental insight.
- **7. Draw up an improved plan for major infrastructure delivery**, including robust timelines, milestones, measurable social value outcomes and an open conversation about cost and talent.
- **8.** Support Government engagement with industry through the Construction Leadership Council and its initiatives on areas such as productivity and retentions.
- **9.** Assess all bids for Government projects against safety and sustainability requirements ahead of simply prioritising the lowest capital cost.
- **10.** Better enforce public sector rules and procurement policies on inclusivity, social value and late payment such as those which disproportionately affect SMEs throughout the supply and value chain.
- 11. Support initiatives to bring diverse talent into the industry.
- 12. Mandate the Design Quality Indicator on all new and refurbished public buildings.

#### EMBEDDING CHANGE BEGINS AT THE TOP

An industry with over 65 million core stakeholders should have a dedicated Construction Minister. There is a sentiment that other sectors such as agriculture, water and energy have a more influential seat at the table and this has left construction, with its vast potential to deliver prosperity and growth throughout the country, as something of an afterthought. The Minister should be able to engage at cabinet level on matters of skills, planning, infrastructure and housing and set out a persuasive case to the Cabinet Office and the Treasury, which themselves should be more inclined to embrace the immense socio-economic value that an improved built environment brings.

Long-term policy planning encourages investment and this is particularly true in infrastructure, where Government should be trying to build consensus around its plans. We support the call of our members, including the Association for Consultancy and Engineering (ACE), for Government to communicate to the public a steadfast and consistent vision for the UK's infrastructure landscape.

The Government's position as a client is pivotal and it can play a major role in driving a cultural change. It has the power to raise standards across the board, not least through its supply chains and through ensuring buildings and infrastructure accommodate and welcome diverse user needs.

Government should also continue to support the work of the Construction Leadership Council (CLC), which provides a broad sector viewpoint. Acting upon shared knowledge is critical and this has come to the fore in areas such as the industry response to concerns over the use of reinforced autoclaved aerated concrete (RAAC) as well as other wider building safety issues.

### NURTURING TALENT AND CULTIVATING FUTURE SKILLS

- **13.** Commission a comprehensive review of the school system within the first session of the new parliament starting with the pre-16 agenda and evaluating the impact of T-levels.
- **14.** Explore the potential for a Built Environment GCSE (or equivalent) to help pupils develop core built environment skills and understanding at an early stage.
- **15. Target more efficient funding rules and regulation of apprenticeships.** Ofsted's Education Inspection Framework should incorporate more data analysis of a provider's other quality metrics and pre-inspection engagement with employers.
- **16. Encourage inflation-proof apprenticeship funding** by reviewing the apprenticeship funding bands.
- 17. Improve the former apprenticeship levy to develop better options for shorter-form training. This would help respond to emerging skills gaps and should include upskilling existing staff.
- **18.** Support providers of specialist built environment training with an extra funding uplift, similar to that awarded to higher-cost STEM degrees, for courses requiring expensive equipment, specialist library services and dedicated IT technology.

#### NURTURING TALENT AND CULTIVATING FUTURE SKILLS

A major programme of funding, training and upskilling is needed in areas such as the landscape sector, retrofit, housing and planning in order to deliver and maintain the safe homes and sustainable communities needed. The Public Accounts Committee recently warned that the UK lacks the skills and capacity to deliver major infrastructure so a plan to develop the talent to deliver growth must be a national priority.

Government should work closely with industry to identify skills gaps at all professional levels and take urgent action to alleviate shortages. Putting strict limits on skilled immigration on key roles before a plan for upskilling is implemented risks stifling economic growth. This will impact built environment SMEs as key roles could be left unfilled. We endorse a pragmatic, evidence-based approach to migrant workers that can be coupled with the comprehensive skills plan for UK workers.

CIC supports a drive to improve regulations and increase productivity in the construction, maintenance and improvement of the built environment. Good regulation can bolster productivity and maintain standards of health, safety and wellbeing for construction workers and the wider public.

We must ensure that skills are not lost to retirement and ill health in the construction workforce. Experienced workers are more productive than trainees and apprentices and are an essential part of the industry, not least when nurturing the skills and craftsmanship we need to preserve and protect the cultural and economic value of our heritage and historic buildings.

# BUILDING OUTSTANDING COMMUNITIES

- 19. Draw up a comprehensive strategy for place which can bring in much needed investment and housing in areas which already have good infrastructure and transport links to build on.
- **20.** Establish a national register of vacant high street and town centre units so that any community group or SME can find out where empty space to rent is, and who to contact about it.
- **21. Reboot the former Levelling Up funding process** by accelerating the funding system and improving engagement with communities to better meet their needs.
- **22.** Convene a taskforce for occupancy and abandoned buildings within the first session of the new parliament. The scope should include recommendations on 'Right-sizing' and sufficiency and address how the local planning system can provide a choice of new, decent quality housing options while meeting the need for older people's housing and inclusive dwellings.
- **23.** Mandate local housing targets that add up to a total national figure. These need to account for genuine affordability, demographic and accessibility needs and work in parallel with future regeneration plans.

#### **BUILDING OUTSTANDING COMMUNITIES**

It is only by providing the right homes and infrastructure in the right places that we can find a realistic and fair solution to the crisis of affordability and demand.

CIC supports the principle of locally-led regeneration to ensure that communities across the country are nurtured, supported and not left behind. The construction industry will play a major part here and we see great potential to restore civic pride and revitalise high streets without subsuming local character or coming at a cost to local biodiversity. Local MPs should work with metro mayors and combined authorities to deliver the change needed. Local plans should be given greater weight in decision-making and strengthened to empower communities.

Built environment professionals operate across the United Kingdom and we urge public sector decision makers across the four nations to work closely to share knowledge and to ensure any divergence in the rules and policies governing our built environment is necessary and not a burden.

#### POSITIVE PLANNING FOR EVERYONE

#### WE ARE CALLING ON GOVERNMENT TO:

- 24. Develop a strategy to improve resourcing of the planning system, through Government investment into local authority planning departments, including greater fees paid by applicants for a better service. Chief Planning Officers should be at the top table of decision making with central talent pools available to respond quickly to major applications.
- 25. Increase funding for the new model of 'super planners' to unlock housing developments and expand this to cover commercial real estate.
- **26.** Establish a Land Use Commission for England to develop a comprehensive and multi-layered land use framework. This should include an evidence-led review of the Green Belt, which explores potential uses with a view to establishing improved planning guidance.
- **27.** Consult on the practicalities of how to include soil within planning assessments including through carbon and biodiversity net gain calculations.
- **28. Publish work on soil health benchmarks** so that soil can be assessed before and after construction.

The task of improving the quality and productivity of our built and natural environment requires the rebuilding and re-purposing of the planning system. Local authorities' planning departments urgently require full and proper resourcing to address backlogs, staff turnover, training, and ensure a properly functioning enforcement apparatus. Local Planning Authorities can provide valuable policy-making functions yet the Royal Town Planning Institute (RTPI) has found that 25% of public sector planners left the planning profession between 2013 and 2020.

There needs to be much greater understanding of biodiversity within Government policy and this includes recognising the importance and value of soils. Sustainable soil management is becoming increasingly important across the country, not least in terms of agricultural productivity and biodiversity.

### QUALITY AND AFFORDABLE HOMES FOR EVERYONE

- **29.** Embed safety, quality and sustainability standards for new and converted dwellings including the Healthy Homes Principles.
- **30.** Extend the Decent Homes Standard (DHS) to cover the Private Rented Sector in the first year of a new Parliament.
- **31. Expand social value considerations beyond housing numbers** to make it a core component of the National Planning Policy Framework (NPPF).
- **32. Boost the housing budget for building social and affordable homes** including a Housing Accelerator fund to tackle the affordable housing backlog.
- **33.** Increase grant funding by Homes England through its Affordable Homes Programme to help fund increased compliance costs.
- **34. Boost the Home Building Fund or successor funds** to assist SME housebuilders struggling to access traditional development finance.
- **35.** Support and fund knowledge transfer projects such as Regional **Building Hubs** to help SME builders and developers stay viable and competitive.
- **36.** Set a coherent strategy and measurable objectives for the use of Modern Methods of Construction (MMC) and offsite construction including task and finish groups to address the issues around warranty providers, insurance companies, building regulations, good MMC practice overseas and sustainability.
- **37. Support the professionalisation of the rental sector** by regulating property management in line with the recommendations of Lord Best's review.
- **38. Extend 'Awaab's law' to the private sector** and require landlords to investigate hazards within 14 days.
- **39. Review mandatory registration with the New Homes Quality Board (NHQB)** and expand the scope of the New Homes Ombudsman Service (NHOS) and NHQB to cover MCU dwellings.

- **40.** Ensure the NHQB and the NHOS are both fully independent and funded well enough to play a major role in supporting the consumer and ultimately building confidence in the industry.
- **41.** Draw up and enforce higher standards for developments delivered under MCU and PDR on safety (including overheating), sustainability and occupier wellbeing.

A sufficient supply of safe, sustainable and affordable homes would deliver a huge boost to the UK's economic, social and environmental wellbeing. Today there are too many people living in accommodation that is unaffordable, temporary, insecure and damaging to health.

The Competition and Markets Authority (CMA) recently concluded that the dominance of a speculative model, based on build-out rates and profitability, rather than building homes based on assessed needs in areas where housing might be cheaper, is not enough to help Government hit housing targets. The demand to improve comfort, safety and security for everyone can only be fully achieved through increased investment in social housing and upskilling via an approach that treats housing in a similar vein to infrastructure.

Volume housebuilders will always play an important part in delivering housing, but restoring competitive balance is a necessity. A stable, coordinated pipeline of work will help the larger companies in construction – which require certainty and often depend on finance from private equity investment – as well as the SMEs and microbusinesses in the housebuilding industry that simply don't have the cash reserves and viability to keep going through difficult times.

Quality is paramount in all homes and this includes new dwellings delivered through permitted development rights (PDR) via material change of use (MCU). When done well, MCU projects can add exceptional social value. Unfortunately, the thresholds for quality of PDR have not been set anywhere near high enough and can lead to problems including the risk of overheating, poor fire safety provisions, inadequate access to outdoor space and exposure to pollution. Such places are detrimental to the wellbeing of all residents, especially families and the vulnerable. Loopholes in the planning system which enable a race to the bottom need to be closed and MCU must be brought under the broader umbrella of place-making.



# BUILDING A SAFER FUTURE

- **42.** Implement the recommendations of the Independent Review of the Construction Products Testing Regime by Paul Morrell OBE and Anneliese Day KC including the introduction of a General Product Safety Requirement.
- **43.** Give the Building Safety Regulator the tools and enforcement resources to deliver fully against the Building Safety Act objectives.
- **44.** Work with industry to urgently embed the Building Safety Act within relevant training and university courses.
- **45. Pledge support for CROSS** and avoid future uncertainty over funding as it is such an invaluable resource for industry.
- 46. Mandate the use of people with proven competence over self-certifications.

#### **BUILDING A SAFER FUTURE**

Seven years on from the Grenfell Tower disaster, the construction industry is embedding the changes of the Building Safety Act and the challenge of working with new regulators. As we await the final Grenfell Inquiry report we know that the onus is on the industry to drive through the culture change needed. There are ways that Government can support this journey.

The cladding crisis has shown the need to establish who funds future refurbishment cycles and ensure homeowners do not get stuck with stranded assets even when cladding is not a consideration. The 'Golden Thread' requirements being brought in through the Building Safety Act will foster a longer-term approach, but the cost and safety considerations of maintenance need to be embedded deeper in Government – and industry – thinking.

This is vital to the public sector as recent concerns about the historic use of RAAC have reaffirmed the need to have a robust plan to address safety across a Government property portfolio valued at around £158bn and thought to cost the taxpayer £22bn a year to maintain.

# THE ROUTE TO NET ZERO

- **47. Commit to reduce embodied carbon emissions in all building types** with a view to mandating the measurement and reporting of whole-life carbon emissions on some projects through a 'Part Z' amendment to the Building Regulations and ultimately introducing legal limits on the upfront embodied carbon emissions of such projects.
- **48. Start regulating total energy consumption across the UK** and not primary energy in time for the introduction of the Future Homes and Building standards.
- **49. Set clear and achievable Minimum Energy Efficiency Standards (MEES) for non-domestic properties** together with mechanisms to enforce and support delivery.
- **50.** Make Post Occupancy Evaluations the norm. Government should mandate periodic design vs as-built inspections to ensure that performance, quality and energy targets are being met in buildings and identify and remedy any shortfalls.
- **51.** Develop a qualification for professionals working to improve and provide useful advice on the energy performance of homes as a one stop service. They should have adequate competence in building physics, electrics, plumbing and ventilation as well as being able to carry out necessary works at speed and with minimum disruption.
- **52.** Introduce a Carbon Border Adjustment Mechanism (CBAM) tailored to incentivise the use of lower carbon building products and build supply chains for local material sourcing.
- **53.** Target additional business rates relief for low carbon buildings and businesses to support greener options at an earlier stage.

#### THE ROUTE TO NET ZERO

Through the Climate Change Act, the UK Government is committed by law to reduce greenhouse gas emissions by at least 100% of 1990 levels by 2050. Alongside helping us meet our legal obligations on achieving Net Zero, analysis has shown that maintaining the decarbonisation and energy efficiency policies scrapped by previous Governments would have offered customers protection from rising bills during the cost-of-living crisis. These initiatives should be revisited. BRE has reported that investments to improve some of the worst quality homes could also save the NHS around £1.4bn in first year treatment costs alone.

Around 10% of the UK's total greenhouse gas emissions are so-called 'embodied carbon' emissions, related to the production and use of construction materials. They total 64 million tonnes CO2e per year, more than the country's aviation and shipping emissions combined. In addition, the Department for Environment, Food & Rural Affairs (DEFRA) has estimated that each year we send 5 million tonnes of construction and demolition waste to landfill and 26 million tonnes of excavation waste is not recovered.

Now that better benchmarking tools are available such as the Royal Institute of Chartered Surveyors' (RICS) Whole Life Carbon Assessment for the Built Environment and the Built Environment Carbon Database (BECD), it is time to move on from the inconsistent and protracted way that whole-life carbon has been addressed. Doing so would bring quick wins for decarbonisation and encourage retrofit. It would improve market development by introducing the concepts of whole-life carbon and embodied carbon early in the design process.

# FOSTERING A 'FUTURE-FITTING' REVOLUTION

#### WE ARE CALLING ON GOVERNMENT TO:

- **54.** Work with industry and local authorities to lead an ambitious and comprehensive national retrofit programme underpinned by long-term funding and a robust upskilling plan to adapt the UK's homes for the demands of decarbonisation and protection against overheating.
- **55. Scrap VAT on repairs and maintenance of residential buildings.** This aligns the VAT treatment with building a new home ensuring that the tax system encourages retrofit.
- 56. Work with the financial services sector to broaden the reach of green mortgages and consider a stamp duty incentive for energy efficiency.

Government will be familiar with some of the industry recommendations in this document including the need to make the retrofitting of existing buildings – in particular homes – a national priority. There is huge potential here as 80% of buildings that will be standing in 2050 have already been built and 60% of those working in the broader construction industry work in the Repair, Maintenance & Improvement (RM & I) sector.

### DELIVERING TRANSFORMATIONAL CHANGE

We cannot be shy in rising to the challenges ahead, especially where there is a chance to build a positive legacy and make a transformational change in how we design and manage the built and natural environment.

These policy recommendations have been formulated with the individual assistance of CIC members as well as collectively through our committees. This has enabled the professional institutes to respond individually on the recommendations within their professional expertise and collectively through CIC's standing committees which address the critical issues affecting the built environment.

We urge the new Government to seize this opportunity and work with industry to embed these recommendations into your plans.

#### **CIC MEMBERS**

- **ABCA** Association of Building Control Approvers
  - **ACE** Association for Consultancy and Engineering
  - **APM** Association for Project Management
  - **APS** Association for Project Safety
  - **BCS** The Chartered Institute for IT
  - **BIID** British Institute of Interior Design
  - **BRE** Building Research Establishment
- **BSRIA** Building Services Research and Information Association
- **CABE** Chartered Association of Building Engineers
- **CIAT** Chartered Institute of Architectural Technologists
- **CIBSE** Chartered Institution of Building Services Engineers
- **CICES** Chartered Institution of Civil Engineering Surveyors
  - **CIHT** Chartered Institution of Highways & Transportation
- **CIOB** Chartered Institute of Building
- **CIPHE** Chartered Institute of Plumbing and Heating Engineering
- **CIPS** Chartered Institute of Procurement and Supply
- **CIRIA** Construction Industry Research and Information Association
- **DIVERSITAS** Diversitas
  - **GF** Ground Forum
  - **ICWCI** Institute of Clerks of Works and Construction Inspectorate
  - **IET-BEP** Institution of Engineering and Technology Built Environment Panel
    - **IFE** Institution of Fire Engineers
    - IIRSM International Institute of Risk & Safety Management
    - **ISSE** Institute of Specialist Surveyors and Engineers
  - **IStructE** Institution of Structural Engineers
    - **IWFM** Institute of Workplace and Facilities Management
    - **LABC** Local Authority Building Control
      - LI Landscape Institute
    - **NFDC** National Federation of Demolition Contractors
    - NHBC National House-Building Council
    - **RIBA** Royal Institute of British Architects
    - **RICS** Royal Institution of Chartered Surveyors
    - **RTPI** Royal Town Planning Institute
    - **SAFed** The Safety Assessment Federation
      - **TSA** The Survey Association





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