

Construction Sector urges Government to maximise potential of infrastructure investment in the East Midlands

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The UKCG today urged government and local decision-makers to do more to ensure the East Midlands does not lose out in the race to secure vital infrastructure investment. The government has published a pipeline of national and local infrastructure projects worth over £250bn over the next decade. But less than £2bn of this investment has been earmarked for local projects in the East Midlands. While the region will benefit from many national-level schemes, the value of projects in the East Midlands accounts for just 3% of spending on programmes which are located in a specific region.

Investing in major construction projects boosts economic growth and supports job creation. UKCG research shows that every £1 invested in construction generates £2.84 in wider economic activity. And as a labour intensive industry, construction generates significant employment opportunities – vital at a time when almost 200,000 people are unemployed in the region.

Construction activity in the East Midlands decreased during the recession, but the industry retains the ability to help kick-start regional economic growth. A recent UKCG report on the value of construction to local economies found:

- Construction contributes £14.5bn to the East Midlands economy, accounting for 7.4% of the region's GDP (UK average is 6.4%)
- The sector supports over 219,000 full-time equivalent jobs – which is 6.5% of the regional workforce
- 90p in every £1 spent on construction in the East Midlands is retained within the region, stimulating local growth and jobs

UKCG director Stephen Ratcliffe said: "The construction sector is uniquely placed to support economic growth and social change. Investing in local transport, energy and water networks will create jobs and re-start the local economy. Projects such as the A14 Kettering bypass and the A453 widening are welcome, but unless urgent action is taken the East Midlands is in danger of falling behind when it comes to securing essential infrastructure investment".

Notes for editors

The UK Contractors Group (UKCG) represents leading contractors operating in the UK on construction specific issues. Its mission is to represent contractors' interests to government and key clients and to encourage contractors to work together to promote change and best practice, especially on health and safety and environmental issues. UKCG also works closely with the CBI Construction Council to ensure that contractors' interests are properly reflected in the wider business agenda.

A full copy of the report “making the economic case for construction” is attached. It builds on previous research looking at the importance of construction and its potential to kick start growth.

UKCG published in 2009 (and revised in 2010) a report on “Construction in the UK economy: The economic benefits of investment. This report can be downloaded using the following link:

http://www.ukcg.org.uk/fileadmin/documents/UKCG/pamphlets/LEK_report_Nov_2010.pdf

