

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

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Publication: Immediate

23 January 2012

The UKCG today urged government and local decision-makers to do more to ensure the West Midlands maximises the potential of infrastructure investment in the region.

The government has published a pipeline of national and local infrastructure projects worth over £250bn over the next decade. Almost £5bn of this investment has been earmarked for projects in the West Midlands, accounting for 7% of spending on programmes which are located in a specific region. In addition the area will benefit from schemes which have a nation-wide footprint such as the recently announced high speed rail link between London and Birmingham.

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 unemployment in the West Midlands is above the national average, and has reached over 9%.

Construction activity in the West 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 £16.5bn to the West Midlands economy, accounting for 7% of the region's GDP (UK average is 6.4%)
- The sector supports over 327,000 full-time equivalent jobs – which is 6.3% of the local workforce
- 91p in every £1 spent on construction in the West 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. Programmes such as the upgrade to Birmingham New Street station are welcome, and action is now required to ensure regional infrastructure projects are delivered and that further investment can be attracted to the West Midlands".

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

