

Construction Sector urges Government to maximise potential of infrastructure investment in Yorkshire and the Humber

Contacts Stephen Ratcliffe Director 07798 650792
Simon Nathan 07931 467374

Publication: Immediate

23 January 2012

The UKCG today urged government and local decision-makers to do more to ensure the Yorkshire & Humber region 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 only £3.5bn of this investment has been earmarked for local projects in Yorkshire & Humber. While the region will benefit from many national-level schemes, the value of projects in Yorkshire & Humber accounts for just 5% 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 unemployment in Yorkshire & Humber is above the national average, and is over 10%.

Construction activity in Yorkshire & Humber 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 £16bn to the Yorkshire and Humber economy, accounting for 7% of the region's GDP (UK average is 6.4%)
- The sector supports nearly 279,000 full-time equivalent jobs – which is 7% of the local workforce
- 92p in every £1 spent on construction in Yorkshire & Humber 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 local improvements to the M1 and upgrading the broadband network in South Yorkshire are welcome, but unless urgent action is taken Yorkshire & Humber 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

