



Construction:

what does the Autumn Budget
mean for the industry?

November 2024

BCIS[®]

QUESTIONS

Ask a question:



- ▶ We'll answer as many as we can during the Q&A session
- ▶ We'll try to answer any we don't get to and share these with the recording

Answer the polls:



- ▶ Poll results won't be published during the webinar. We want to give you as much time to answer as possible!
- ▶ We'll send the poll results to you with the webinar recording



Dr David Crosthwaite

Chief Economist

BCIS



Karl Horton

Chief Data Officer

BCIS

AGENDA

1. What was in the Autumn Budget for construction?
2. Panellists' reactions
3. What would we have done differently?
4. Infrastructure and major projects
5. Housing
6. Your questions

CONTENT

Construction investment announced in the Budget, in total approximately £13bn:

- ▶ **Schools** - Committed £1.4 billion to fund the existing school rebuilding programme, an additional £550 million
- ▶ **Social housing** - Committed £5 billion to fund the existing Affordable Homes Programme, an additional £500 million
- ▶ **Prisons** - Commitment to accelerate the building of new prisons by reforming the planning system
- ▶ **Hospitals** - Committed an additional £1 billion to upgrade buildings across the NHS estate
- ▶ **Transport** - Committed £1 billion for tunnelling on the HS2 link from Old Oak Common to Euston; additional £500 million for roads maintenance
- ▶ **Other** - Committed £1 billion for accelerating cladding removal post-Grenfell; £3.4 billion for the Warm Homes Plan



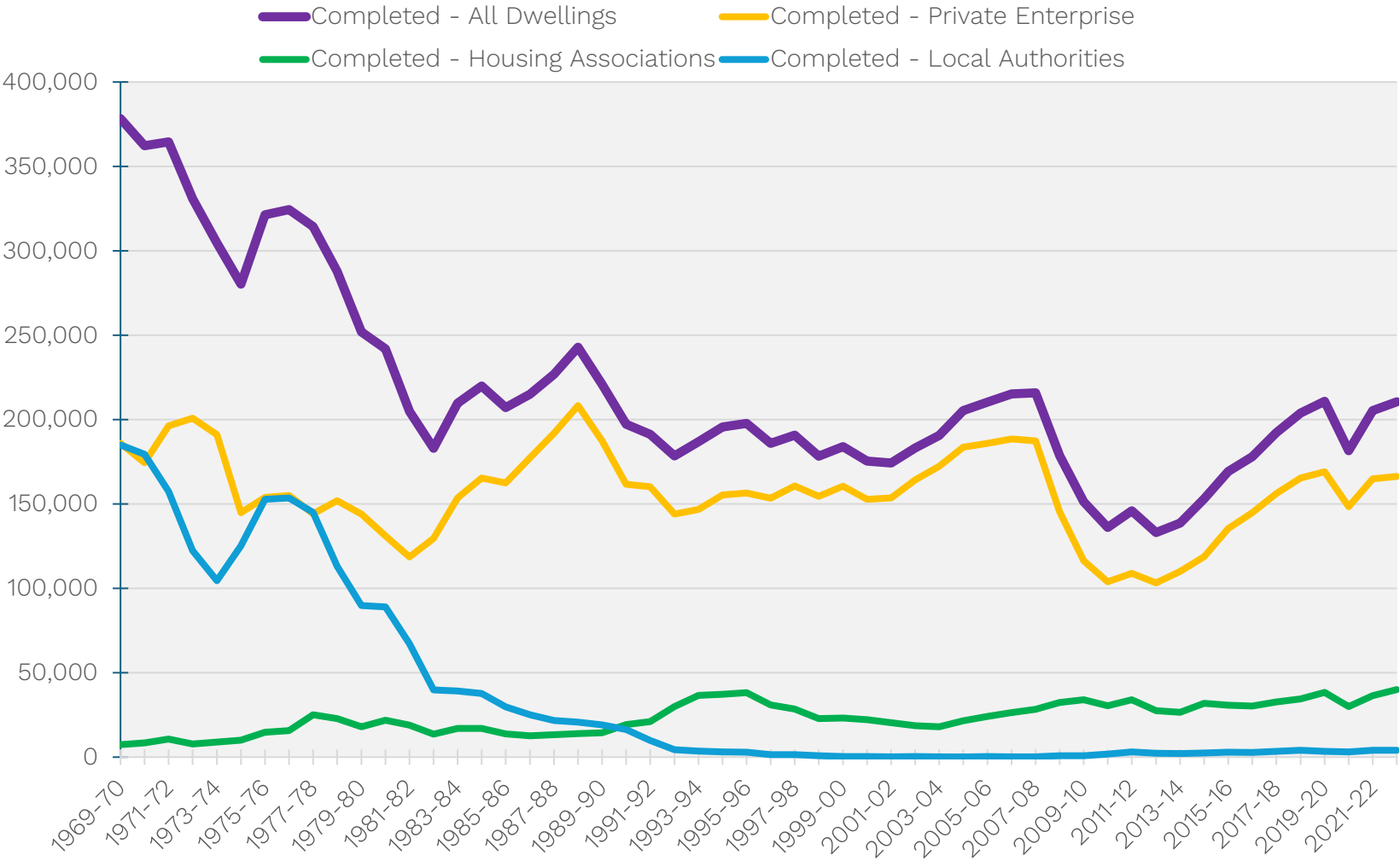
Could Labour have been more ambitious with their budget, and in what way?

What's the implication for the project pipeline? If they keep delaying everything, the costs are just going to spiral anyway.

**Does this Budget ensure Labour will hit their target of building
1.5million homes?**

**Have they gone far enough to ensure this target will be met? What
could they also include?**

UK HOUSE BUILDING COMPLETIONS BY PROVIDER (ONS, 2024)



From peak in 1970, home completions have declined, particularly local authority provision.

Commercial property developers the largest provider, averaging 157k pa over the last six decades.

Could Labour have been more ambitious with their budget, and in what way?

- ▶ A reasonably ambitious budget, but construction could have benefited from greater investment to really get Britain building again.

What's the implication for the project pipeline? If they keep delaying everything, the costs are just going to spiral anyway.

- ▶ The sector needs certainty so it can plan. We need commitment to the future pipeline of projects asap. Yes, delaying projects today will mean they cost more to deliver in the long-run. Things rarely get cheaper over time.

Does this Budget ensure Labour will hit their target of building 1.5 million homes? Have they gone far enough to ensure this target will be met? What could they also include?

- ▶ The target is aspirational and nothing more. Likely to deliver close to the long-term average of around 200k new homes per annum or 1 million over the life of the Parliament, a shortfall of 500k. They shouldn't have committed to the target in the first place.

Follow BCIS on LinkedIn – just scan the QR code or search for BCIS



This webinar is now over. Thank you for joining!