BCIS Webinar - The Autumn Budget and the Built Environment

On 4 December 2025, BCIS held a webinar entitled 'The Autumn Budget and the Built Environment'. During the webinar, attendees had the opportunity to submit questions.

Below is a selection of the questions that were submitted, with answers from BCIS's chief economist, Dr David Crosthwaite.

Q: Isn't it a bit too early to say whether the markets really are OK with the Budget?

A: Bond market reaction is typically quite quick following policy announcements; see the reaction to the Liz Truss Budget as an example. Government borrowing costs have eased since the Budget which suggests that bond market traders are broadly content with the Budget.

Q: Does the BCIS and RICS advise, lobby or support the Government to support on long and short-term construction industry policy?

A: BCIS is now a private limited company and no longer part of the RICS. We provide independent sector/industry commentary based on data but don't formally advise/lobby/support the government.

Q: Are there any measures you would recommend for accelerating compliance with Building Safety Act - Gateway 2 approvals by Building Control?

A: Put simply, I think that more staff are needed to assess the applications and reduce the current backlog.

Q: With the push to deliver multiple programmes of work aimed at delivering growth, how does the government expect planning applications keep up without additional planning officers and trained site operatives when there is already a shortage of both?

A: I agree that in the short term there are capacity issues in planning. The government has committed to recruiting/training more but that is not likely to be a quick fix; the result being that demand is likely to suffer as projects are held up at planning approval stage.

Q: Was there any mention in the Budget for increased financial support for the Building Safety Regulator?

A: Not explicitly.

Q: If there was one thing you could implement that could improve construction sector performance, what would it be?

A: Increased investment in built assets would translate into increased output, so I would increase capital spending on construction.

Q: Do you think a change of government will bring a change in strategy to reduce the deficit?

A: The focus might be slightly different but the outcome likely similar. Not sure a government of any persuasion would be having different results. It's becoming increasingly apparent that recovery from the pandemic is going to take a decade.

Q: Will the planning reforms and assistance outweigh the rise of sophisticated NIMBYism affecting new housing and development?

A: We'll have to wait and see once developers start building again, but there does appear to be a move toward fast-tracking applications.

Q: Can you argue that the only outcome that can be foreseen in the next few years is only going to be a significant increase in the cost of delivering schemes, driven by rising regulatory requirements, taxes, wages, etc?

A: Unfortunately, I think you might be right. Increased regulation is quite often inflationary.

Q: If sentiment is so negative, why has the industry shown resilience, growing by 1.1% so far this year?

A: That level of growth is relatively poor in a sector that has been targeted by the government as an engine for wider growth.

Q: Which economic factors beyond the UK's direct control will weigh against the UK the most?

A: Probably the cost of energy, the UK currently has some of the highest energy costs in the world making our industries uncompetitive. Industrial energy costs are adding to the already elevated costs to businesses and must be addressed if we are to see the levels of private investment needed to grow our economy.

Q: What is the wider economic impact of artificially propping up the housing market through schemes like Help to Buy?

A: Most market interventions end up having unintended consequences and introduce further complications when they are withdrawn. The most recent example is the Help-to-Buy scheme which finished in 2023 since when, the housing market has struggled to maintain momentum particularly in the developer-led first-time buyer market.

Q: There is some talk of an approaching financial crisis in the UK due to the poor state of the public finances. Do you think this is likely and, if so, can it be avoided?

A: Much will depend on gilt yields and whether the interest the government pays on its debt remains sustainable. This is why the Budget was important - had the bond markets reacted unfavourably (likely resulting in the government's debt interest rate increasing substantially) then the public finance position could have worsened. This is what happened following the Liz Truss mini-Budget and resulted in her removal from office. Debt levels are currently high as a result of support provided during the pandemic. This is likely to be a long-term issue that will need careful management/policies over the next decade or so.

Q: The UK appears to have very high levels of taxation and borrowing funding unsustainably high levels of government spending to support an inflated state. How can we move away from this and move towards supporting growth in the wealth generating private sector?

A: Growth will be stimulated by investment, so the government has adopted a pro-growth stance and is providing some seed funding to try and attract private investment to drive growth in the economy. Some of that is construction-related which is a good start, but we really need investors to step-up to get Britain building again. Hopefully, this will begin to happen through next year, but if it doesn't then we are destined to remain a low-growth economy going forward.