

# Speech: David Gauke at the Construction Products Association Spring Lunch

And I'd like to start with a couple of stats.

Ipsos Mori surveyed over a thousand people in Britain last year about infrastructure – and I think everyone here would agree with the opinions they discovered.

Because over three quarters of Brits saw investment in infrastructure as absolutely vital to our future economic growth.

Almost half were supportive of further borrowing to invest in our infrastructure – a conclusion we reached ourselves before we announced an extra £23 billion last year, tightly focused on economic infrastructure.

And one in two people surveyed, thought that the UK's record of delivering infrastructure projects in the past, hadn't exactly always covered us in glory.

So we're all pretty much on board with the same three premises, that:

1. Our success depends in part upon our infrastructure
2. We need to invest more in building it
3. We need to work smarter in delivering it

Of course, it's all very well agreeing with those things in theory.

But I think we've really started doing those things in practice too.

So before we move to your questions and comments, I want to talk about three ways in which we're doing that – by planning more, investing more, and delivering more.

So I'll start at the start, which is planning and deciding what infrastructure the country needs in the first place.

As ever, there will always be a range of conflicting views as to which project you invest in – the next airport runway being a high profile case in point!

But it's perhaps helpful if I outline the fundamental approach we always want to take – however big the decisions.

And that's considering what the return on any given infrastructure investment would be.

Because it's not about spending money, it's about investing money – to make

us the UK more productive, and a better place to live.

So to get that right, we need a good, evidence-based analysis of the infrastructure improvements we need, and the lasting value of the various options that could deliver them.

That is, in essence, why we established the National Infrastructure Commission to do that research and come up with independent advice to government based on their findings.

They are already doing great work on that front – as I'm sure you'll agree if you've looked at any of their reports – from their consideration of 5G, to an Oxford-Cambridge corridor, not to mention their assessment of our infrastructure needs in the round – to which many of you in the room will have made your own contributions.

So the NIC is already taking us a big step forward in getting us planning the right investments for the future.

But alongside that, we've also set out our plans so businesses can see what is coming – and this time last year, we published the first ever National Infrastructure Delivery Plan for the UK. Many of you had been telling us for years that's what we needed, and it was absolutely right that we listened to that.

So I'm pleased we've made such progress on that front.

Now, we've got multi-year plans for things like road spending, and Network Rail.

And we are publishing our infrastructure and construction pipelines twice a year – which means you can see what's coming, and plan accordingly.

But I want to come onto investing, because it's not enough just to get your decisions right, and plan well.

You also have to find the cash to make them happen – and that's where everyone starts to look in the Treasury's direction!

But I think the point to make is that the Treasury is in full agreement about the need to invest in the infrastructure we need for our economy to grow – both now and in the medium to long-term.

So we've made sure the funding is there to do that.

And in fact the last pipeline for infrastructure we set out in December represented half a trillion pounds worth of infrastructure investment, from both the public and private sector.

And that's not just for the big projects everyone's heard of – like Hinkley Point C, Crossrail or HS2.

It's for projects across sectors and across the country – from flood

defences, to superfast broadband.

And it's for innovative projects too – like putting 10% of that £23 billion productivity fund I referred to earlier into a new Housing Infrastructure Fund, to unlock thousands of homes by getting the underlying infrastructure established. Very much a case of build it, knowing that they will come!

But I don't just want to focus on our investment in the projects themselves, without mentioning also our investment in the people who will deliver them.

We've done a lot to help the next generation of people in construction get the skills they need.

Our strategy for increasing productivity in government construction will see us support 20,000 new apprentices as they learn the skills of the modern trade.

And as you may have heard, we're now taking forward a fundamental reform of the technical education our young people have open to them, which I think will make a real difference in the number of talented people we get coming through to work on all our big infrastructure plans.

But I also don't want to focus just on government's investment.

Because enabling private sector investment is just as critical.

We need companies investing in their staff.

And that includes helping to shape the training that is available – and let me pay tribute to the CPA's own role in this – because Diana [Montgomery – Chief Executive] has been doing great work in leading this industry's development of our National Infrastructure Plan for Skills.

On that note, I'd like to encourage everyone in the room who is paying the apprenticeship levy to get involved in making sure that the apprenticeships are really geared up to the skills you will be relying on as this industry evolves.

But it's also about private sector investment in the projects themselves.

Because you were asking us to do much more to encourage investors.

So that's what we did – establishing a guarantee scheme of up to £40 billion – which is already behind some of the new things we're now seeing built.

And we've also made sure the UK is a top choice for international investors through both our stable and balanced regulatory environment, and our competitive tax regime.

In fact, Nabarro's 2015 Infrastructure Index judged the UK the number one country for attracting private sector investment.

So we've made our planning better, and we've got more investment coming into

both British skills and British infrastructure projects.

But are we delivering more?

Certainly, there's a lot more things happening on the ground – we've got over 700 schemes in our programme just up to the end of the Parliament.

And without a doubt, we are starting to become a lot more sophisticated in managing these projects professionally.

Because just as I mentioned the National Infrastructure Commission earlier, I should at this point mention the other game-changer in UK infrastructure, which is the Infrastructure and Projects Authority – which we set up to get things built on time and on budget.

But when I talk about delivering more, I don't just mean more construction projects, run better. I mean delivering more value.

And that's why we've asked the IPA to assess how we can improve the cost, quality and performance of our new and existing infrastructure.

In the modern world, that so often means through innovation – technology and digitalisation are making huge waves in this, as in every, sector.

We've got robots checking our flood defences.

Drones scanning our construction sites.

Optic cables in our railway lines telling us where the stresses are.

Sensors telling us if our staff are fatigued.

And it's great that we're already seeing more innovative methods of construction – I don't think it's an exaggeration, for example, to say that our Building Information Modelling is revolutionising how we build things – as well as setting us apart as a global leader.

I know my colleagues in the Business department are really excited about taking this to the next level – BIM level 3 to be precise.

So it is a new world, and we want to see UK companies really leading the charge in innovative building and construction practices.

That's what we looked at closely in our Construction Strategy – and of course, for Construction 2025.

We've also put innovation in infrastructure at the heart of our industrial strategy green paper – which closes next week, so do take the chance to tell us your views.

So in short, we have come a very long way to move the story of British infrastructure and construction forward.

We want to put to bed that decades old perception that the UK doesn't develop

new infrastructure very well.

This is a new chapter.

We've got new institutions to improve how we do things.

Good regulation.

An attractive environment for investors.

A much higher level of funding.

And exceptional innovation taking place.

The reason we've got all those things is thanks to companies like yours.

We've been listening to you, and working with you, to help all of these things happen. And it's important you keep telling us what's helpful.

Because we are relying on you – not only to help us manage our exit from the EU in a way that works for this sector, but to keep building on all we've achieved so far.

That's how we'll keep the construction sector strong and successful.

Giving you the opportunity to be more innovative in delivery; to invest smarter in skills; and to drive up productivity.

And giving the British public, and their businesses, the infrastructure they need to live well and prosper.