

England Public Sector Construction Market: 2022 Analysis

Construction is a major industry in almost all countries globally and its output is often used as a factor in measuring the economic health of a nation. The UK government has often pledged to bolster the construction of public infrastructure and private developments to improve standard of living and housing availability. This analysis dives into construction procurement by government bodies in the English regions of the UK.

What data was used? - This report harnesses a mixture of spend and contract award data, harvested from Tussell's market intelligence platform.

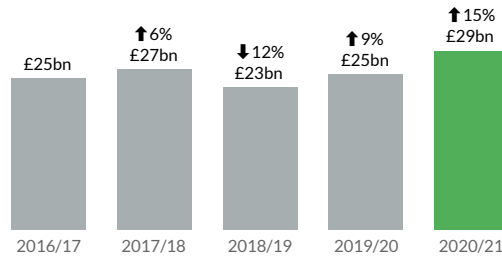
Spend data is based on procurement invoices between contracting authorities and suppliers. There is often a time lag between the spending itself and the publication of the associated invoice; as a result, references to 'years' in this report span from October to September, as to show the maximum and most accurate data.

Contract award data is collected from various procurement portals.

Charts 1-4 are based on spend figures.

Charts 5-6 are based on contract award figures.

1) Record year for construction procurement - in the 12-months to September 2021, £29bn of procurement spending was allocated to construction - a 15% increase on the prior equivalent period.

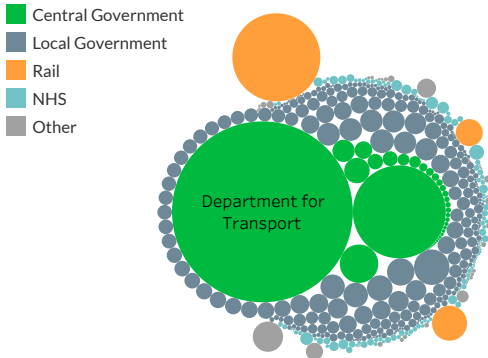


2) Growth across all areas of government - 2020/21 was a record year in construction procurement pending, represented by growth across all areas of government.

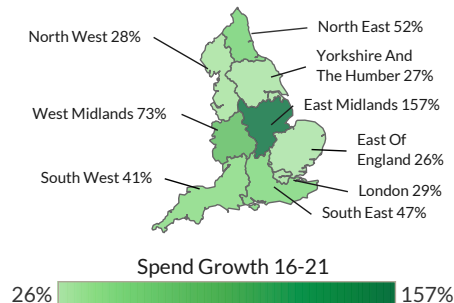
2020/21 was a record year in construction procurement spending for Local Government and NHS bodies.

	2016/17	2017/18	2018/19	2019/20	2020/21
Central Government	£14bn	£15bn (↑4%)	£11bn (↓26%)	£12bn (↑14%)	£13bn (↑9%)
Local Government	£7bn	£8bn (↑8%)	£8bn (↑3%)	£9bn (↑6%)	£11bn (↑21%)
Rail	£3bn	£3bn (↑13%)	£3bn (↑4%)	£3bn (↓9%)	£3bn (↑6%)
NHS	£1bn	£1bn (↑13%)	£1bn (↑26%)	£1bn (↑26%)	£2bn (↑69%)
Other	£1bn	£1bn (↓1%)	£1bn (↑25%)	£1bn (↑10%)	£1bn (↑4%)

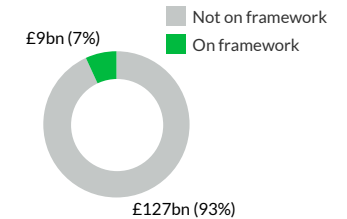
3) Central government and rail bodies were largest buyers of construction works - the largest procurers of construction work procurement were transport-oriented entities. The DfT and Network Rail were two of the largest spenders on construction. Transport has accounted for nearly 50% of construction spending since 2016/17.



4) Largest increase in construction spend came from the midlands - Local Government bodies in the midlands increased procurement spending on construction at the fastest rate out of all English regions. The East Midlands as a whole, more than doubled its spend on construction since 2016/17.



5) Nearly all construction award value has been outside of frameworks - call-off contracts accounted for just 7% of the award value of construction procurement.



6) The largest frameworks were used mostly by Central Government bodies - Central Government bodies account for more than 50% of call-off value on all construction related frameworks. Local Government bodies account for a third.

