

## BCIS comments on upcoming Spring Statement

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Ahead of the Chancellor's upcoming Spring Statement, Dr David Crosthwaite, chief economist at the Building Cost Information Service ([BCIS](#)), the leading independent provider of cost data to the built environment, has shared his insights with us.

On 26 March, David hopes to see the government take decisive action by approving key infrastructure projects, such as the Lower Thames Crossing and Gatwick Airport expansion. Without this commitment, David believes that the construction sector risks further stagnation, with firms reluctant to invest in training and apprenticeships due to uncertainty over long-term viability.

He shares:

"The government needs to show decisive action by signing off projects, so the industry can start to deliver.

"With construction output increasing by just 0.4% in 2024, it's clear that the industry needs substantial support to increase this figure in the coming year. However, since the start of 2025, business confidence has really taken a nosedive and, although there have been plenty of announcements from the government about getting Britain building again, there's been little evidence of this.

"In fact, the reverse seems to be true, with a decline in new orders, planning approvals, housing completions and a recent fall recorded in sentiment surveys, all suggesting this year is going to be another difficult one for construction.

"The government needs to introduce some certainty, ideally bringing forward the second part of the spending review and committing to a project pipeline.

“Labour has been in power for over eight months, and we are really yet to see anything other than rhetoric. Their mantra has been that private investment would follow public investment, so we need to see some commitment to public investment in projects to encourage private sector investors to get their cheque books out.

“There are no short-term answers for infrastructure projects, which by their nature tend to be delivered over the longer-term.”

Decisive action needed

“But clarity would help to instil confidence. Take the Lower Thames Crossing; the project still hasn’t received the final go-ahead, as the latest statement from Reeves suggests private finance will be required to deliver the project. That’s going to take time, and no investor will be willing to step forward until the project has received the final approval to proceed.

“A similar situation exists with the expansion at Gatwick, where new environmental requirements have been added relating to noise mitigation and passengers using public transport.

“This means the final approval has been deferred until later in the year, assuming that the investors are in a position to satisfy the requirements. Gatwick is ‘spade ready’ and could have already started, but these additional hoops are likely to add further delays.

“The government needs to show decisive action by signing off projects, so the industry can start to deliver; otherwise, it will just continue to stagnate. This would also send a positive signal to businesses that the government is serious about creating an environment that will make any investment in training and apprenticeships worth their while, the latter of which is desperately needed to address the ongoing skills shortage and futureproof our sector.”