



CLC News Release

25.05.2022

CLC acts to ease impact of construction inflation

The Construction Leadership Council has set out plans to mitigate the impacts of steep inflation that are hitting companies across the sector.

The recent Ukraine crisis has compounded existing challenges of materials' supply and prices, caused by the aftereffects of Covid-19, escalating global demand, and supply chain disruptions. This has resulted in difficulties in both the availability and cost of many key materials used by the sector, with cost increases of 50% reported for some products in recent weeks.

The Construction Leadership Council has brought together experts from across the sector to look at the options available to reduce these impacts. It is recognised that many of the factors driving the materials crisis are outside the control of businesses and the UK Government. However, where it is possible to act, the CLC is seeking to co-ordinate industry effort to minimise risk and reduce the impact of inflation where it can.

The CLC's plan includes:

- Developing market intelligence about risk hotspots;
- Publishing guidance on price inflation indexation, and commercial issues;
- Preparing case studies on good practice in response to current inflation;
- Running industry briefings on conflict avoidance;
- Researching long-term capacity loss from Ukraine, Russia and Belarus, and impacts on sector.

Further information will be published in the coming weeks. The CLC is also seeking views from the sector about how the current crisis is affecting businesses from across UK construction, to guide and inform further action.

CLC member and Mace Group Chairman and Chief Executive Mark Reynolds said: *"Across our industry we are seeing businesses facing real challenges with inflation that are well above those seen in the sector for many years. There is no one party that can tackle this issue alone and we can't pass the problem on to others to solve. We all must work collaboratively – clients, contractors and everyone in our supply chain – to provide support where possible to limit the impact on firms nationwide"*

About the Construction Leadership Council (CLC)

The CLC's mission is to provide sector leadership to the construction industry. The expanded CLC has twelve workstreams that operate collaboratively to address the biggest issues facing the sector. Workstreams include skills and inclusion, building safety, Net Zero and business models. The CLC is co-chaired by Lee Rowley MP, Minister for Business and Industry, and Andy Mitchell CBE, CEO of Thames Tideway.