

The Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
HM Treasury,
1 Horse Guards Road
London, SW1A 2HQ

Sent via email.

1 February 2023

Spring Budget 2023 and The Built Environment Sector

Dear Chancellor,

I am writing to you on behalf of the membership of the Association for Consultancy and Engineering (ACE), in advance of your Spring Statement.

ACE champions infrastructure and the built environment, representing the views of our members, who together, employ over 60,000 staff in the UK and over 250,000 worldwide, contributing more than £15 billion to the UK economy and over £570 billion globally.

Many of the challenges you outlined in last year's Autumn Statement are still ever present. Inflation and market adjustments continue to impact our sector, and the uncertainty around the war in Ukraine and other global factors are still influencing investment decisions. However, this is still a time of opportunity for the sector. I was pleased to see such a focus on innovation and infrastructure in your last Statement and hope you will give similar consideration in this forthcoming budget.

ACE members hope Government will make positive budgetary decisions on two areas. First, how we turn ambitions on the green economy and green growth into reality, and second how we deliver on the infrastructure pipeline, despite tough economic times.

Earlier this month, we published our 2023 [Policy Manifesto](#), and we hope to be able to work with you and the Government to ensure the budget supports the delivery of our policy proposals. These include:

Transport

- Delivering on commitments around HS2 and the Integrated Rail Plan, to realise the economic and social benefits of these projects

Strengthening financial and practical incentives for innovation, including allowing for demonstrator projects or even pre-project simulations to allow businesses a safe space to test their innovations.

Procurement

- Promoting effective implementation of the construction playbook, and early publication of the infrastructure pipeline. This would give companies and industry opportunities to plan, particularly on issues around recruitment and retention, as well as individual company budgets.

Places

- Looking again at the competitive nature of levelling up funding, but also ensuring that existing successful bids are focused on driving up overall skill levels and promoting net zero projects in areas identified as needing to be 'levelled up'.

- Encouraging the use of co-investment between public and private sector to grow investment in place-based projects.

Climate Change

- Providing a clear and stable policy platform, alongside funding on innovation which gives companies and industry the confidence it needs to innovate and prioritise resilience and climate mitigation-based solutions.
- Encouraging flexible policy measures to give innovators incentives to identify the best way to meet climate objectives, and to avoid locking-in technologies that may become inefficient in future.
- Reviewing the apprenticeship levy to strengthen opportunities to invest in the green skills needed for the future.

Last year we contributed to the **Skidmore Review**. Its findings demonstrate the challenges and opportunities of Net Zero. We look forward to working with government on the implementation of many of the recommendations, and we would urge you to use this Budget to think about how we could deliver on many of the proposals, in particular:

People:

- Allocating funding to develop a Climate Emergency Skills Action Plan, aimed at recognising the importance of skills and training to support the green agenda.

Innovation:

- Providing a clear and stable policy platform, alongside funding for innovation which gives companies and industry the confidence it needs to innovate and to prioritise resilience and climate mitigation-based solutions. In particular, a roadmap for developing and deploying R&D and relevant technologies.

Excellence:

- Simplifying the net zero funding landscape for local authorities and make it clearer to businesses of funding opportunities to deliver net zero solutions.

It is my hope that your Spring Statement will go some way to deliver a safe, innovative, resilient, and globally competitive UK built environment sector driving economic growth by delivering well-connected, socially valuable, and environmentally sustainable places. Ahead of Budget preparations, I would be very pleased to meet with you and your officials to discuss any of the areas above in more detail.

Yours sincerely



Stephen Marcos Jones
Chief Executive Officer