



Press Release

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CECA: Updated Fiscal Rules To Boost Infrastructure Will ‘Reboot’ Economic Growth

Civils contractors today said that reports that the Chancellor of the Exchequer is to tweak the UK Government’s fiscal rules to boost investment in infrastructure is a ‘logical’ step towards delivering sustainable economic growth.

It has been reported that Rachel Reeves is considering making changes to the UK Government’s fiscal rules ahead of this month’s Budget, which could allow for increased investment in UK infrastructure amounting to billions of pounds.

The Chancellor is set to inform the Office for Budget Responsibility (OBR) of her plans this week, to enable that body to calculate the impact of the changes and produce its forecasts for the Autumn Budget.

One potential change would be for HM Treasury to include public sector net worth as a debt measure, which would take into account the value of public assets and allow further borrowing to invest without breaking Labour’s manifesto commitment to balance day-to-day spending with tax receipts and getting debt falling as a share of the economy by the end of this Parliament.

Commenting, Director of Operations for the Civil Engineering Contractors Association (CECA) Marie-Claude Hemming said: “The UK economy has suffered for too long from underinvestment in infrastructure, and consequently has displayed anaemic economic growth for years - to the detriment of our businesses and communities.

“Our industry stands ready to deliver on increased investment in infrastructure, which recent research has shown will need to total a whopping £1.6 trillion by 2040.²

“As the Chancellor prepares to deliver her first Budget, it is vital that the Government is laser-focussed on delivering sustainable growth, and a small change to the fiscal rules - one that reflects the value of the UK’s public assets - has the potential to reboot the economy and unblock schemes in all parts of the UK by bringing projects forward to market.

“We look forward to working with the Government to identify exactly where and when such investment can be best targeted, so that CECA members can get on with delivering the world-class infrastructure required for the high-growth, zero-carbon economy we all want to see.”

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Notes to Editors

1. The Civil Engineering Contractors Association (CECA) represents over 300 contractors of all sizes, covering approximately 80% of the civil engineering market in Great Britain. Our members build infrastructure that provides the basis for economic sustainability and quality of life in communities across the country.

2. <https://www.ey.com/content/dam/ey-unified-site/ey-com/en-uk/services/strategy-transactions/documents/ey-parthenon-mind-the-investment-gap-27-sep-2024.pdf>