

Quality in construction is being compromised

By Phil Holding, Horizon Construction

The UK construction industry is undergoing unprecedented turmoil due to a perfect storm of economic factors, and with a record number of construction firms going into administration, developers should carefully select or reassess their construction partners, to ensure confidence.

The health of our industry is used as a key indicator for economic performance, including its impact on environmental and social factors. A perfect storm has been brewing over the last three years, where construction costs have been rising due to staffing and supply chain issues, a legacy of COVID, inflation and interest rate rises.

According to government data, construction firms made up nearly one in five of all insolvencies recorded during the first quarter of 2023, causing unease and uncertainty for developers and project teams. This in turn is having a dramatic effect on the commencement and performance of building projects, including the mental health and wellbeing of those involved.

MENTAL HEALTH IS A BIG ISSUE

Research into ONS data shows suicides within construction are three to four times higher than the national industry average. Fatalities, work-related illnesses, diseases and accidents are all rising. We support The Lighthouse Construction Industry Charity, the only UK charity that provides emotional, physical and financial wellbeing support to the construction community and their families (www.lighthouseclub.org). It has been working hard to accelerate initiatives to improve wellbeing and welfare in construction.

In an effort to drive down costs and improve margins, this area can too easily be overlooked. Without adequate focus and controls to protect a workforce, it risks health, safety and wellbeing, and the quality of construction operations. Horizon Construction's consecutive RoSPA Awards (www.rospa.com) and ISO certification further demonstrate a commitment to high standards.

LOWEST PRICED TENDERS CANNOT BE RELIED UPON

Addressing the challenges in construction requires everyone to work together. Developers need to be



conscious of the precarious state of the challenges, but also the opportunities in selecting construction partners that operate collaboratively and transparently. We are in a climate where it is now proven, unfortunately in failed projects, that the lowest priced tender submission cannot be relied upon.

Hosted by Horizon Construction, The Construction and Property Breakfast is an example of an annual event that brings together senior practitioners to discuss the big issues; last year's event looked specifically at the hidden costs for developers.

HAVING THOSE AWKWARD CONVERSATIONS AT THE EARLIEST STAGE

The delivery of a successful project relies upon the smooth operation of the construction process and a commitment to high standards. Issues in this process will inevitably arise, but the strength of the relationships between all partners determines the outcome. We are experiencing an increase in new business enquiries from developers following problems and insolvencies within their supply chain. Overall, developers should be promoting early involvement from construction experts to ensure projects are viable.

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