

Consultation Response

Invest 2035:

the UK's modern industrial strategy

Response by the Royal Institution of Chartered Surveyors (RICS)



Introduction

The Royal Institution of Chartered Surveyors (RICS) is pleased to respond to this consultation by the Department for Business and Trade.

Established in 1868, RICS is the largest organisation of its kind for professionals in property, construction, land, and related environmental issues, setting and upholding professional standards for 135,000 professionals and over 10,000 firms. RICS regulates both its individual qualified professionals and those firms that have registered for regulation by RICS.

Over 100,000 members work in the UK, where our goal is to deliver a healthy and vibrant property and land sector as a key pillar of a thriving economy while addressing the need for the creation of green, safe communities.

We are not a trade body; we do not represent any sectional interest, and under the terms of our Royal Charter the advice and leadership we offer is always in the public interest.

Key recommendations

The RICS has consulted our members across a range of sectors to develop this response to the Government's consultation on the UK's modern industrial strategy.

We recommend that the Government should:

- Ensure that the construction sector is included in the industrial strategy as a priority area.
- Continue to invest in upskilling funds to subsidise employee training in AI and Tech skills within the Professional and Business Services sector.
- Work with the sector to drive investment in UK business and professionals, and unlock foreign direct investment into real estate and infrastructure across the whole of the UK.
- Support the built environment sector to disseminate world-leading expertise in the development of high-quality, high-value, sustainable infrastructure.
- Collaborate with the sector to ensure professional standards, improved outcomes, and value in development projects across the wider globe.
- Take a strategic and sustainable approach to the delivery of new data centres unlocking opportunity across the country.
- Continue and increase investment in R&D in the foundational sectors and beyond to find innovative solutions to the climate challenge.
- Ensure that legislative changes align with the RICS Red Book Global Standards as well as international standards, such as the IVS, to maintain consistency, stability and alignment with international markets.
- Equip local authorities with additional funding, expertise and resource.
- Deliver meaningful reform of the business rates system that delivers fairness for ratepayers and other stakeholders.
- Ensure appropriate resourcing of the Valuation Office Agency and administering billing authorities.
- Establish and communicate a clear and realistic timetable for Minimum Energy Efficiency Standards across domestic and non-domestic property, helping to drive a low carbon, retrofit economy.
- Drive a retrofit- centric economy by standards setting, skills developing and a funding programme to create an ambitious net-zero driven industrial strategy.
- Address skills shortages within the construction sector within the context of the modern industrial strategy.

- Create parity with the rest of the UK by creating an England-based Built Environment GCSE to inspire 14–16-year-olds into this critical sector and continue investment in T Level courses to boost high quality industry placement opportunities.
- Establish a Built Environment Skills Taskforce within Skills England to identify and drive delivery of our housing, climate change, energy and infrastructure needs.
- Create a new dedicated ministerial position for construction across departments to join up solutions to challenges including skills and the climate.

Additionally, the Government should address the residential housing market sector calls to:

- Ensure that the UPRN is included in every public sector project relating to any kind of building.
- Collaborate with the private sector to identify barriers to market adoption of the UPRN.
- Set out a clear approach to ensure the ethical use of data.

Sector methodology

How should the UK government identify the most important subsectors for delivering our objectives?

The Government has identified eight areas as priority high-growth sectors including advanced manufacturing, clean energy industries, creative industries, defence, digital and technologies, financial services, life sciences, and professional and business services. Many of these identified sectors directly link or intersect with the built and natural environment and the work of RICS members across the UK and beyond.

The Green Paper sets out a plan for a strategy that is ‘unreservedly pro-business’ and that engages on complex issues currently holding back investment. These include skills, recruitment of international talent, data, research and development, technology adoption, access to finance, competition, regulation, energy prices, grid connections, infrastructure and planning. These areas require significant focus to tackle their impact on activity across the built environment sector and to support the transition to net zero.

Recommendation

- Ensure that the construction sector is included in the industrial strategy as a priority area.

Investing in digital skills

It is vital that we harness the opportunities presented by digital transformation in the UK and across the world. The fourth industrial revolution presents both major opportunities but also challenges. The construction sector, and wider built environment sector, has been a laggard in the digitisation space. This is despite the innovation and disruption that PropTech, ConTech and PlanTech have delivered. There is a huge opportunity to invest in innovation and benefit from it.

From a sector perspective, despite some positive digital innovations adopted within the sector, namely Building Information Modelling (BIM), Digital Twins, data analytics,

Building Management Systems (BMS), Internet of Things (IoT), the overall digitisation of the sector has been slow with some reticence to the adoption of technology.

BIM and digital twins should be integrated to implement whole-life and whole-asset thinking for both new and retrofitted assets. This will ensure that innovations can be replicated across projects aiding the delivery of social value and net zero goals. Accelerating and driving up digitalisation will help us to industrialise and scale-up construction.

Part of the challenge is the shortage of professionals with the right digital skills. Initiatives such as the Department for Science, Innovation and Technology's [£7.4 million pilot AI Upskilling Fund](#), aimed at boosting skills in the Professional and Business Services sector through subsidised training is a great example of how companies can be incentivised to boost the technical skills of their employees.¹ We recommend that the Government continue these schemes to ensure that employers are incentivised and financially able to equip their employees with the skills they need to boost growth across sectors.

We also operate the [RICS Tech Partner Programme](#) to facilitate the production of thought leadership, content, and market insight for the profession. By collaborating with innovative, leading-edge firms that operate across the whole property lifecycle and all asset types, we can offer surveyors a wide variety of digital content that can help them better get to grips with the array of digital solutions available.

Recommendation

- Continue to invest in upskilling funds to subsidise employee training in AI and Tech skills within the Professional and Business Services sector.

Professional and Business Services sector

The Professional and Businesses Services sector is a wide-ranging sector, which is essential for delivering growth across the UK. In recent years, UK exports of services have overtaken exports of goods demonstrating the critical role the sector plays in the UK economy.

¹ <https://www.rics.org/news-insights/new-pilot-scheme-launched-to-improve-ai-skills-in-smes>.

The chartered surveying profession is a key source of UK competitive advantage and reputation on the global stage. RICS professionals and [RICS's internationally renowned standards](#) play a key role in attracting investment into UK infrastructure.

The UK is a world leader when it comes to property and construction advice, and as globalisation continues, the demand for UK-qualified and experienced professionals abroad has risen dramatically.

One area where RICS has established a significant international presence is in [alternative dispute resolution](#) (ADR) and conflict avoidance for the construction and infrastructure markets.² This year alone, RICS has worked to bring ADR appointment services and training programmes to the global market, focusing on Canada, China, India, the Middle East, Oceania and the UK consumer sector.

Over the last five decades, RICS has appointed dispute resolvers in nearly a quarter of a million cases internationally. The RICS Dispute Resolution Service serves the public interest, as required by its Royal Charter, by resolving around \$2 billion US dollars' worth of disputes every year, keeping cases out of the courts and providing the parties with cheaper and more efficient access to justice.

RICS is also a founding member of the [Conflict Avoidance Coalition](#), which comprises the professional institutions operating in the UK construction sector, along with senior officials drawn from consultants and contractors, and subcontractors and a range of different organisations including tier 1 and tier 2 contractors, consultants, clients etc.³

There are over 90 organisations representing a cross-section of interest across the industry. The purpose of the Conflict Avoidance Coalition is to reduce disputes in the industry by promoting best dispute avoidance and mitigation practices and instilling collaborative and cultural approaches.

² <https://www.rics.org/dispute-resolution-service>

³ <https://www.rics.org/dispute-resolution-service/conflict-avoidance/conflict-avoidance-coalition>

Greater understanding and adoption of ADR and conflict avoidance measures throughout the supply chain, by both private and public sector organisations, could significantly reduce the occurrence and impact of contractual disputes, saving valuable time and resources.

Recommendations

To support the promotion of domestic economic growth, boost jobs and wages, the Government should:

- Work with the sector to drive investment in UK business and professionals, and unlock foreign direct investment into real estate and infrastructure across the whole of the UK.
- Support the built environment sector to disseminate world-leading expertise in the development of high-quality, high-value, sustainable infrastructure.
- Collaborate with the sector to ensure professional standards, improved outcomes and value in development projects across the wider globe.

How should the UK government account for emerging sectors and technologies for which conventional data sources are less appropriate?

Data centres

Demand for artificial intelligence (AI) and computing power has been rapidly increasing. They require large amounts of power, as well as cooling. The Government should address how to seize the benefits of the growing need for data centres, while ensuring that their delivery does not hamper efforts towards net zero targets.

The [Climate Neutral Data Centre Pact](#) is an industry pledge, which includes stepped targets across five areas, from energy efficiency and carbon-free energy to water conservation, reuse, and recycling of heat. There are innovative ways that the considerable excess heat generated from data centres could be used.

This is a rapidly emerging area that the Government should look to incorporate into the industrial strategy. A strategic approach to data centres could create jobs in towns and cities away from major hubs. However, there must also be appropriate sustainable infrastructure available, as well as sufficient investment and connectivity.

The National Significant Infrastructure Projects (NSIP) regime is a tried and tested method of efficiently processing complex and at times controversial projects. The Planning Inspectorate (PINS) are in the process of refining and streamlining processes to shorten the NSIP timeline. If this is completed and the systems resources are adequately funded, then the Planning Act 2008 provides an excellent opportunity.

There will, however, be an additional resource requirement. PINS train and employ fixed term contract examiners that could be swiftly expanded if funded and managed well.

Recommendation

- Take a strategic and sustainable approach to the delivery of new data centres unlocking opportunity across the country.

How should the UK government incorporate foundational sectors and value chains into this analysis?

Our foundational industries are essential and fuel our construction sector, as well as the wider built environment by nature. We are reliant on materials to fuel development and deliver the homes, buildings, bridges and infrastructure we need to thrive across the country and around the world.

The World Economic Forum's recent report on the [High-Emitting Sectors](#) emphasises three barriers to the commercialisation of low-carbon technologies including a "lack of emissions measurement methods and standards, the availability and cost of inputs, as well as buyers' risk aversion and unfamiliarity with decarbonised solutions".⁴

There has been some investment in research & development (R&D) in this area, but it should be boosted to ensure that there is innovation across the foundational sectors enabling them to decarbonise.

⁴ https://www3.weforum.org/docs/WEF_High_Emitting_Sectors_Challenges_and_Opportunities_for_Low_Carbon_Suppliers_2024.pdf

Financial sustainability of higher education providers

It is essential that the higher education sector is supported. A recent report, published by the Office for Students indicated that the sector could face an aggregate net reduction in annual income of £3.4 billion against the forecast position.⁵ This could mean that up to 72% of providers face a deficit in 2025-26.⁶

RICS has strong links with over 50 universities across the UK and more than 100 around the world. Many of these universities work together on research, and often in partnership with industry. With student numbers under pressure, particularly with regards to international students, universities are in a challenging financial situation. This may impact the quality of research outputs they can deliver.

Additionally, many universities rely on their PhD students to support research. There is a risk that international students choose to carry out their studies elsewhere, and that research capacity is lost in the UK. Organisations have been highlighting for a number of years the major challenge associated with rising immigration costs in the UK. The Royal Society's most recently commissioned research indicated that since 2019, total upfront immigration costs have increased by up to 126% depending on visa type.⁷

Recommendation

- Continue and increase investment in R&D in the foundational sectors and beyond to find innovative solutions to the climate challenge.

⁵ <https://www.officeforstudents.org.uk/media/s32lw2vq/financial-sustainability-of-higher-education-providers-in-england-november-2024-update.pdf>

⁶ <https://www.officeforstudents.org.uk/media/s32lw2vq/financial-sustainability-of-higher-education-providers-in-england-november-2024-update.pdf>

⁷ <https://royalsociety.org/-/media/policy/publications/2024/summary-of-visa-costs-analysis-2024.pdf>

Growth-driving sectors

What are the most important subsectors and technologies that the UK government should focus on and why?

The construction sector

The construction sector is a substantial part of the UK economy accounting for £110 billion in GVA, 7% of GDP and employing over 2 million people.⁸ Construction and infrastructure fuels growth and creates jobs. Despite this, construction is notably omitted from the list of priority high growth sectors. Futureproofing the sector will be essential if the Government is to secure the UK's full economic potential.

Using data modelling

Sustainable placemaking should include data modelling to plan local and regional needs. Benchmarking involves using data from other projects to better inform project development and decision-making throughout a project's lifecycle. This is particularly important when considering projects across the built environment, but effective benchmarking is also important in minimising unwarranted variation nationally, and regionally too. By highlighting what works well and can be exported to other regions and nations, and what could be improved.

RICS research has highlighted that a lack of established standards, tools, databases, benchmarks and guidance has been a key obstacle to effectively reducing carbon emissions in the built environment.

Working alongside industry partners, RICS has developed a [suite of standards](#) that will enable the measurement, reporting and benchmarking of carbon in the built environment. This will allow us to track all carbon emissions from the production of materials, construction process, use and the disposal of built assets over their entire life cycle.

⁸ <https://www.rics.org/news-insights/manifesto-response-construction-infrastructure>

- The [International Cost Management Standard 3](#) (ICMS 3) will support the transition to net zero by enabling the accurate reporting, benchmarking and comparison of carbon and cost in construction.
- The [Whole Life Carbon Assessment](#) (WLCA) 2nd edition is a mandatory professional statement, setting out how to consider embodied and operational carbon within built environment projects.
- The [UK Net Zero Carbon Buildings Standard](#) has been developed by a cross-industry group to robustly prove their built assets are net zero carbon in line with existing government climate targets. The Pilot Version of the Standard was launched in September 2024 and contains the technical details of how a building should meet the Standard.
- The [International Building Operation Standard](#) (IBOS) is a data-based approach that supports the measurement and management of buildings for strategic decision-making. Results can be used to inform decisions around ESG and sustainability, user-experience and building optimisation.

Additionally, the [Built Environment Carbon Database](#) is a free resource that allows users to identify where carbon reductions can be made in a building's lifecycle. It will be the main source of carbon estimating for the construction sector in Scotland.

What are the UK's strengths and capabilities in these subsectors?

Valuation Standards

A key enabler to growth is an accurate and consistent way of valuing assets in order to facilitate lending, collective investment schemes (funds) other forms of investment and accurate financial reporting. RICS valuation standards are also important for the UK economy. They help to ensure that property markets are functioning efficiently and that investment decisions are based on sound information. This can help to stimulate economic growth and create jobs. RICS professionals provide valuation services across a large range of asset classes. They work to the highest global standards that are underpinned by our regulatory scheme Valuer Registration.

The [Red Book Global Standards](#) are a globally recognised professional framework for undertaking valuation, aligning with and where appropriate adopting [International](#)

[Valuation Standards](#) (IVS) and [International Financial Reporting Standards](#) (IFRS). RICS valuation standards are an important part of the UK's property market. They help to ensure that valuations are accurate and reliable, which is essential for both property owners and lenders.

First introduced in 1976, the Red Book Global Standards are regularly updated to reflect market changes and development. They are globally recognised as one of the most rigorous sets of standards for valuation, which is critical for maintaining high standards in valuation delivery across the world.

It is important that where there is policy change and new legislation enacted that it aligns with national and international professional standards including the Red Book Global Standards, the IVS and the IFRS.

Recommendation

- Ensure that legislative changes align with the RICS Red Book Global Standards as well as international standards, such as IVS, to maintain consistency, stability and alignment with international markets.

Digital innovation across the built environment

There is a risk that digitisation is only adopted for higher value assets in London and the South East of England, as well as other major UK cities. There is also a risk that smaller regional firms are unable to adopt certain technology.

Another barrier to growth is the lack of good quality data across the whole land and property lifecycle. We urgently need to move from documents and unstructured data to structured data. There is a lack of common data standards and ontology.

What are the key enablers and barriers to growth in these subsectors and how could the UK government address them?

The planning system

The built environment sector must adapt to challenges of the climate emergency and economic pressures to deliver the homes, buildings and infrastructure we need. The

Government has been rightly ambitious in its goal to deliver 1.5 million new homes in the next five years.

As highlighted in RICS's response to the National Planning Policy Framework consultation 2024, the Government must help to ensure planning departments are adequately resourced and manned. RICS research recognises that for many domestic and international investment houses, UK residential real estate is a risky category of investment given planning delays, or the high probability of applications being declined – for example due to water/nutrient level challenges. For investors, there are many alternative options with a safer guarantee of a ROI.

A major challenge for planning is the lack of capacity within local authorities. There remain difficulties in recruiting, rising workloads and a lack of funding. A 2022 survey by the Royal Town Planning Institute (RTPI) of 103 local planning authorities showed that almost 90% reported a backlog of cases.⁹

The Government's focus on planning and aim to have 300 new planning officers in the public sector by 2026 is welcome. However, with many long-term planning officer vacancies – it is not simply a case of funding new posts. Planning authorities also need to recruit and retain these experts.

Alternative ways of working should be considered. This could include pay reviews, secondment arrangements with the private sector and innovative ways of working trialled, as seen in South Cambridgeshire District Council's four-day week trial, which started in January 2023.¹⁰ It is aimed at attracting and retaining colleagues, while reducing reliance on costly agency staff.

Recommendation

- Equip local authorities with additional funding, expertise and resource.

⁹ <https://www.rtpi.org.uk/news/2022/november/almost-90-of-local-authorities-surveyed-struggling-zwith-backlog-of-planning-enforcement-cases/>

¹⁰ <https://www.scambs.gov.uk/your-council-and-democracy/four-day-working-week>

Creating a Pro-Business Environment

What are the most significant barriers to investment? Do they vary across the growth-driving sectors? What evidence can you share to illustrate this?

Business rates system

RICS stakeholders support a system of property taxation based on rental (rateable) values but are clear that it needs to be reformed and made fairer. UK and devolved governments have started to reform business rates valuation and administration through, for example, the Non-Domestic Rating Act 2023, but this should be furthered through the points below.

A reformed system would be more reflective of economic circumstances and able to deliver a fairer system for ratepayers and other stakeholders. We acknowledge that this is an area already under review following the Autumn Budget 2024 by the Treasury to co-design a better system and note their current discussion paper in this area, [Transforming business rates](#), which is intended to kickstart a conversation between the Government, businesses and key stakeholders to fix the system.

It is important that the Government listens to the concerns of businesses and makes sure that the system is fair and sustainable. However, the business rates system remains a barrier to growth and meaningful reform of the business rates system is critical. It must be considered in the context of the development of a modern industrial strategy.

Reform must reduce complexity and should include lowering the level of business rates in comparison to other UK taxes and comparative local taxation systems in competing markets globally, whilst also creating fairer funding for local services. Additionally, the valuation and administration of business rates should be better resourced. This means appropriately resourcing the Valuation Office Agency and administering billing authorities.

Recommendations

- Deliver meaningful reform of the business rates system that delivers fairness for ratepayers and other stakeholders.
- Ensure appropriate resourcing of the Valuation Office Agency and administering billing authorities.

Encouraging inward investment

We have outlined the importance of a stable policy and regulatory environment as a critical part of attracting inward investment. It is important that regional projects are supported but to attract major inward investment from overseas on a national scale, the Government must develop a national value proposition setting out a holistic real estate development strategy for the whole country. This will help to attract and deploy inward investment on a national scale for the betterment of the whole economy, environment and society.

Investors are increasingly focusing on developments that strengthen their ESG value. For example, the 2024 annual [RICS Sustainability Report](#), shows a positive net balance of 41% in commercial property occupiers and investors interest in greener buildings. However, to achieve such results at scale, we need a stable regulatory environment supported by tax and grant incentives.

There has also been a lack of clarity in Minimum Energy Efficiency Standards (MEES). The Department for Energy Security and Net Zero should establish a clear and realistic timetable for MEES for non-domestic and domestic properties as a matter of urgency.

Reform of Energy Performance Certificates (EPCs) must also acknowledge the diversity of building types, sizes and additional relevant factors. The UK retrofit market is estimated to be worth billions annually, along with helping to climate-proof homes from overheating and cooling, which could help to save thousands of lives each year.

Recommendation

- Establish and communicate a clear and realistic timetable for Minimum Energy Efficiency Standards across domestic and non-domestic property, helping to drive a low carbon, retrofit economy.

People and skills

It is positive that people and skills are right at the top of the Government's identified policy areas of focus to support businesses to thrive. Across the built environment, there remains a significant shortage of qualified professionals. There is an urgent need to close the skills gap and to foster an inclusive workforce.

The Government's 1.5 million housing target is welcome news and will help to tackle the housing crisis up and down the country if achieved. However, its deliverability will be significantly impeded without rapidly investing in the future skills pipeline and upskilling the existing workforce.

In the Green Paper, complex issues that hold back investment are set out including skills, recruitment of international talent, infrastructure and planning. These challenges are interlinked, and a holistic approach is required to close the skills gap, and deliver infrastructure that is resilient, sustainable and inclusive.

The construction skills shortage remains a major challenge. As also highlighted in RICS's recent parliamentary briefing paper, [The Future of UK Major Infrastructure Projects](#), over 250,000 new construction workers are needed to manage demand by 2028.¹¹

Green skills

The Climate Change Committee published findings that there is potential to create up to 725,000 new jobs by 2030 in low carbon sectors, from retrofit to renewable energy generation.¹² Beyond the major skills shortage across the built environment sector and beyond, there is another related skills challenge. Delivering green growth in the built environment sector is reliant on the availability of green skills across sectors.

An area where this is particularly acute is the retrofit sector. There are approximately 25 million homes in need of retrofit works of some kind. We urgently need to expand the retrofit workforce at a huge scale. Residential retrofits must increase by 500,000

¹¹ [CSN Industry Outlook - 2024-2028 - CITB](#)

¹² [A Net Zero workforce - Climate Change Committee](#)

per year by 2025, and by one million annually by 2030 if we are to meet the Government's net zero target.

The skills challenge in the sector can result in unintended consequences. Problems caused by retrofitting can include damp and mould, harm consumer attitudes towards energy efficiency upgrades, and damage investment confidence. RICS has created the Residential Retrofit Standard, which has been effective since 31 October 2024.¹³ We view this as an opportunity for RICS residential property surveyors to diversify, upskill, and contribute to the rapidly growing demand in this space.

The scale of retrofit work that will be required means that we must boost the Level 3 and 4 skills that are needed to support that area of work. The [Design, Surveying and Planning T Level](#) is really popular, but it does not cover this area, especially in relation to facilities management skills, building control and retrofit.

RICS has been involved in a taskforce in the City of London [Skills for a Sustainable Skyline Taskforce - City of London](#) that has a strong focus on green upskilling, reskilling and workforce diversity. Lessons learnt should be rolled out globally.

The UK Government and the devolved governments must support the retrofit sector to equip existing professionals and those of the future with the skills they need to support the net zero transition.

Recommendation

- Drive a retrofit- centric economy by standards setting, skills developing and a funding programme to create an ambitious net-zero driven industrial strategy.

Construction skills

The construction skills shortage remains a major challenge, which needs to be addressed for the sector and the built environment as a whole. RICS's most recent market survey on this topic, the Global Construction Monitor (Q3 2024), indicated that the major factors limiting activity in the construction sector remain financial constraints, skills shortages, labour shortages, and planning and regulation.¹⁴

¹³ <https://www.rics.org/profession-standards/rics-standards-and-guidance/sector-standards/real-estate-standards/retrofit>

¹⁴ <https://www.rics.org/content/dam/ricsglobal/documents/market-surveys/Q3-2024-RICS-GCM-headline-report.pdf>

Of the respondents, 44% highlighted general labour as a limiting activity in the construction sector. With expectations that the infrastructure sector is likely to grow considerably, it is essential that the labour and skills challenges are acted upon. Surveyors responding to the survey suggested that the most desperately needed roles are bricklayers, carpenters, and plumbers.

Recommendation

- Address skills shortages within the construction sector within the context of the modern industrial strategy.

Business Environment – People and Skills

Where you identified barriers in response to Question 7 which relate to people and skills (including issues such as delivery of employment support, careers, and skills provision), what UK government policy solutions could best address these?

Investing in the skills pipeline

There are many ways that the Government can support the expansion of the workforce across sectors within the built environment to boost growth and bolster the security of the industry for the future as it adapts to meet new challenges.

Increasing brand awareness of built environment careers and the relationship that they have to tackling major challenges like the climate emergency. More must be done in schools and colleges to ensure that young people can access information and guidance about the breadth of opportunities in the built environment.

Built Environment GCSE

We need to consider creative ways to prepare young people for a career in the built environment and to inspire the next generation of professionals. This includes delivering skills through GCSEs, as is happening in Wales via a Built Environment GCSE – something the House of Lords Built Environment Committee has also called to be expanded to England.

The [RICS UK Construction Monitor](#) continues to show the challenge associated with labour and skills shortages. Capturing the interest of young people earlier, prior to the age of 16, offers them the opportunity to think about a career in the built environment. There should also be a support programme aimed at the school staff who will be required to teach it.

T Levels

T Levels are a new pathway for English students towards trades and professions via vocational training including industry experience. The [Design, Surveying and Planning for Construction course](#) supports students to develop relevant skills and offers an insight into a range of built environment careers.

However, there has been low uptake in England of the qualification, and in 2022, T Levels attracted only 1% of English 16–17-year-olds in full-time education. The courses have seen particularly high dropout rates.

A T Level includes a 45-day placement in industry. To expand T Levels as a critical offer to encourage young people into professions like surveying and the wider built environment, the Government should continue to highlight the benefits of offering industry placements.

The Government should continue to share case studies to encourage employers to support a wide range of placements.

Recommendation

- Create parity with the rest of the UK by creating an England-based Built Environment GCSE to inspire 14–16-year-olds into this critical sector and continue investment in T Level courses to boost high quality industry placement opportunities.

Apprenticeships

Apprenticeships are a critical part of the skills landscape. They offer a pathway, which helps individuals to access vital skills at the same time as building employer value.

They play a particularly important role in providing valuable opportunities for your people from the age of 16. In England, surveying apprenticeships are available at Level 3 (Surveying technician) and Level 6/7 (Chartered surveyor (degree)).¹⁵ The latter includes a RICS accredited undergraduate or Master's degree.

In Scotland, there is a graduate apprenticeship in Construction and the Built Environment. It is run in four Scottish universities. In Wales, there are a number of construction-related apprenticeship opportunities. In Northern Ireland there are graduate apprenticeships in [Quantity Surveying and Commercial Management \(HLA\) BSc \(Hons\) at Ulster University 2025/26 entry - Part-time Undergraduate Study](#) and the [Construction and Project Management Higher Level Apprenticeship at Queen's University Belfast](#). All of these schemes are supported by RICS and include RICS accredited degrees as part of their curriculum.

It is important that apprenticeships in the built environment continue to be funded to encourage individuals to pursue careers in the industry and to build skills in modern construction practices and digital technology.

Tackling retention is a big challenge. There are various options that can be taken to help resolve this including integrated apprenticeships or ensuring that employers that take on an apprentice part way through their apprenticeship are incentivised to have the apprentice continue it until completion or be penalised and have to pay back the equivalent of the rest of their programme.

The Government should provide incentives for individuals and companies to invest in training and development. This could be achieved via tax credits or other financial incentives.

Skills England

We welcome the Government's commitment to delivering Skills England to drive growth. We recommend that the Government establish sector-specific taskforces including a built environment skills task force to identify skill gaps and opportunities,

¹⁵ <https://www.rics.org/contribute/support-future-surveyors/employ-an-apprentice>

especially for green skills. This should include financial and resource support to upskill and invest in education pathways.

Recommendation

- Establish a Built Environment Skills Taskforce within Skills England to identify and drive delivery of our housing, climate change, energy and infrastructure needs.

Business Environment – Innovation

Where you identified barriers in response to Question 7 which relate to RDI and technology adoption and diffusion, what UK government policy solutions could best address these?

It is important that the Government encourages and supports increased levels of R&D across the sector to help drive growth. However, there is a culture of low levels of R&D across the built environment sector including in construction and foundational sectors.

The Government must continue to invest and support R&D particularly to find greener innovations to reduce the carbon cost of the built environment. The Transforming foundation industries challenge through the UKRI Challenge Fund is an example of essential funding to encourage innovation in the space. By boosting R&D and the commercialisation of viable technologies, we can build a greener and prosperous future.

Business Environment – Data

How can the UK government best use data to support the delivery of the Industrial Strategy?

Data held by the Government should be available in a digital form with a unique property reference number (UPRN) as ID and as low cost as possible with a suitable trust and governance framework.

The Government should support AI use cases for the built and natural environment, using technology to convert and translate data from multiple standards and multiple formats.

AI and Data science adoption are steadily accelerating. Some sectors and industries are looking at AI for efficiency and decision-making, while others are starting to explore data analytics and automated processes.

We are currently developing a new RICS [Responsible Use of Artificial Intelligence Professional Standard](#), which is anticipated to be published in 2025.

What challenges or barriers to sharing or accessing data could the UK government remove to help improve business operations and decision making?

A major challenge for the sector is the decentralisation of information about land, housing and commercial real estate. We recommend that all data sets on land and property are shared more widely in a structured form joined up by a UPRN, legal title, and geospatial coordinates. The UPRN is a unique identifier for every addressable location in the country whether that is a home or a bus shelter.

It is vital that the Government takes action on UPRNs within the property sector. In October, a collection of organisations representing a large part of the UK residential property sector wrote an open letter to the Government calling for support to ensure the mass adoption of the UPRN.¹⁶

As highlighted by the coalition, the Government should:

- Ensure that the UPRN is included in every public sector project relating to any kind of building.
- Collaborate with the private sector to identify barriers to market adoption of the UPRN.

¹⁶ <https://todaysconveyancer.co.uk/wp-content/uploads/2024/10/UPRN-letter-16.10.2024.pdf>

- Set out a clear approach to ensure the ethical use of data across the housing market.

Beyond the housing market, we recommend that the Government ensures that the use of data across all forms of land and property is ethical. The sharing of data should be improved with data made available in a digital format.

Business Environment – Infrastructure

Where you identified barriers in response to Question 7 which relate to planning, infrastructure, and transport, what UK government policy solutions could best address these in addition to existing reforms? How can this best support regional growth?

Tackling grid capacity and connectivity delays

It is important that the Government helps to remove barriers to energy supply. The reforms announced by the former government in 2023 to reform the power network and speed up grid connections were a positive step to building the foundations required for greener infrastructure to thrive.

However, the Government's plan to build 1.5 million homes by the end of this Parliament and vision for a new generation of new towns is reliant on tackling the constrained capacity of the country's energy infrastructure. Urgent investment in electrical grid capacity is essential to guarantee future housing and infrastructure needs.

Boosting skills

The [RICS Global Construction Monitor \(Q3 2024\)](#) highlighted that in Europe the infrastructure and private residential sectors are set to lead the industry recovery with positive projects in both. To deliver major infrastructure in the UK in the years and

decades ahead, it is essential that that the existing workforce is upskilled and that the pipeline of future talent is nurtured and supported.

How can investment into infrastructure support the Industrial Strategy? What can the UK government do to better support this and facilitate co-investment?

As highlighted, construction is omitted from the list of priority sectors. The Government must futureproof the sector to secure the UK's economic potential. Greater focus by government should be placed on backing construction.

We recommend the Cabinet-level appointment of a dedicated construction minister to deliver certainty for the construction industry and wider built environment sector. Since 2001, there has been a revolving door of ministers with the construction portfolio in their brief. Stability and certainty would help to boost the sector, which must evolve to meet the net zero challenge, while overcoming skills shortages and embracing digital technology adoption.

Topics of national importance such as energy infrastructure also need government level oversight to ensure national interests are met for the public benefit. RICS looks forward to seeing if a future government does make this change which will ultimately benefit the sector and the wider UK economy.

Recommendation

- Create a new dedicated ministerial position for construction across departments to join up solutions to challenges including skills and the climate.

Business Environment – Regulation

Do you have suggestions on where regulation can be reformed or introduced to encourage growth and innovation, including addressing any barriers you identified in Question 7?

Embodied carbon measurement

RICS has published a de facto guide on carbon accounting. Industry is preparing and moving in the right direction. Carbon matters related to the built environment are better dealt with through building regulations, as historically has been the case. This enables quality assurance (QA) via site inspection.

It is preferable that regulatory and compliance requirements in many of these sectors are set centrally. There needs to be a consistent planning and regulatory framework for embodied carbon in development before further steps are introduced into the planning system – e.g. regulated embodied carbon thresholds in new build construction. This could be used as a prompt for the Standard.

RICS's Whole Life Carbon Accounting approach contributes important capacity building in the built environment. There also needs to be more reliable accounting for greenhouse gases in the natural environment, particularly relating to agriculture.

Examples of embodied carbon calculation in the planning sector can be seen in Scotland: [Planning and climate change guidance: research report issue 3](#), which heavily cites the [RICS WLCA Standard](#).

UK carbon markets

RICS sets standards that are proportionate, in the public interest and based on risk, intended to encourage an effective and sustainable surveying profession. In November 2024, we published the 1st edition of [the RICS standard on the Impact of carbon markets on the rural economy](#).¹⁷

¹⁷ https://www.rics.org/content/dam/ricsglobal/documents/standards/Impact-of-carbon-markets-on-the-rural-economy-UK_Nov2024.pdf

The voluntary carbon market (VCM) includes companies, organisations, and individuals purchasing carbon credits voluntarily. It is a rapidly expanding sector that offers economic growth opportunities, especially for rural communities. While smaller, than the carbon compliance market (CCM), projections for its growth span are as high as \$500 billion by 2059.¹⁸

Carbon Border Adjustment Mechanism

The Government's plans to introduce the Carbon Border Adjustment Mechanism from 1 January 2027 will result in a charge on carbon emissions across a number of sectors from aluminium, cement, fertiliser, hydrogen, iron and steel.

The foundation sector and those that rely on these materials should be supported to innovate as they work towards a lower carbon future.

Business Environment – Mobilising Capital

The UK government currently seeks to support growth through a range of financial instruments including grants, loans, guarantees and equity. Are there additional instruments of which you have experience in other jurisdictions, which could encourage strategic investment?

The green transition has been at the top of the agenda at the EU level in recent years. Since the European Parliament election in June 2024, there has been greater focus on competitiveness and innovation, with a strong emphasis on the Green Deal Industrial Plan.¹⁹

¹⁸ https://www.rics.org/content/dam/ricsglobal/documents/standards/Impact-of-carbon-markets-on-the-rural-economy-UK_Nov2024.pdf

¹⁹ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/green-deal-industrial-plan_en

The Green Deal Industrial Plan includes faster access to funding. This means guaranteeing a level playing field within the Single Market while making it easier for the Member States to grant necessary aid to fast-track the green transition.

The Commission will also facilitate the use of existing EU funds for financing clean tech innovation, manufacturing and deployment, with a focus on [REPowerEU](#), [InvestEU](#) and the [Innovation Fund](#). The Commission will also look to set up the [European Sovereignty Fund](#), as a mid-term structural answer for the investment needs.

Place

What public and private sector interventions are needed to make strategic industrial sites ‘investment-ready’? How should we determine which sites across the UK are most critical for unlocking this investment?

RICS members and regulated firms possess significant expertise and knowledge in identifying and developing strategic industrial sites which are “investment-ready” and can share insight into investor confidence across the UK. An important public sector intervention would be enhancing the speed and predictability of the planning system to ensure that development opportunities are not lost as investment flows to more productive arenas.

Many “investment-ready” sites will need to be serviced by appropriate public service infrastructure such as further education colleges, hospitals and criminal justice accommodation. To ensure delivery, local planning authorities should work proactively and positively with promoters, delivery partners and statutory bodies to plan for required facilities and resolve key planning issues before applications are submitted.

This will also help address challenges seen with high-levels of unspent Section 106 and levy funding, estimated by the Home Builders Federation to be upwards of £8 billion –

which harms developer, public and investor confidence in local government infrastructure spending.²⁰

Significant weight should be placed on the importance of new, expanded or upgraded public service infrastructure when considering proposals for development.

In addition, wider geographical spatial planning must be restored since it was removed in 2010. It remains an essential component of robust plan making. Its absence feeds issues such as poor infrastructure planning and delivery in support of new housing and employment.

To ensure the future viability of the economy in more rural areas, more must be done to ensure that land is fully understood as a valuable asset. The rural economy also needs to diversify and look to other land-based industries including recreation, tourism and energy, including forestry and carbon sinks.

How should the Industrial Strategy accelerate growth in city regions and clusters of growth sectors across the UK through Local Growth Plans and other policy mechanisms?

RICS recommends that the industrial strategy takes a place-based approach with the unique needs of each region into consideration to drive economic development in ways that are both sustainable and inclusive. Creating a pro-business environment should be achieved in partnership with local and regional leaders across our towns, cities and regions.

We are advising the New Towns Taskforce in site selection to support economic growth by developing a four-point model that looks at: Economic Viability, Delivery Viability, Infrastructure Viability and Investment Viability. This model helps identify and rank locations most likely to offer socio-economic development in regions.

²⁰ <https://www.hbf.co.uk/policy/unspent-developer-contributions>

Chartered Surveyors play a fundamental role on high streets, they offer comprehensive support across various aspects of planning, design, development and management. They engage in strategic planning, collaborating with local authorities and stakeholders to devise tailored regeneration plans that align with community needs and urban development objectives.

Utilising their design expertise, surveyors ensure that high street spaces are not only aesthetically pleasing but also functional and accessible. They conduct valuations to assess the economic viability of regeneration projects and provide guidance on investment opportunities, ensuring that resources are allocated effectively for long-term economic and environmental sustainability. Additionally, surveyors provide expert rating advice, helping businesses navigate complex business rates regulations and ensuring fair assessment, which is crucial for their financial stability.

Surveyors oversee safety standards, conducting thorough assessments to ensure compliance with regulations and mitigate risks. They also play a pivotal role in property maintenance, devising tailored maintenance plans and overseeing their execution to uphold the integrity and appeal of high street properties. Surveyors manage leases, facilitating agreements between property owners and tenants to optimise occupancy and support diverse business activities. Through their multifaceted expertise, Chartered Surveyors cover all aspects of high street regeneration, contributing to the creation of vibrant, sustainable and resilient environments.

We need to effectively tackle the challenges that high streets face, there is a need to reimagine and reanalyse the impact and role of both national and local government, as well as the purpose, size and function of high streets. This includes heightening national ambition and focusing on commercial property. We must unlock more investment, drive forward greater bottom-up community initiatives, explore the opportunities and impact of sustainability, reform business rates and create policies promoting healthy user focussed buildings. RICS's [IBOS](#) is a framework for assessing building performance, which factors in user experience, as a dimension that goes beyond the more traditional aspects of building operational performance.

Promoting growth and investment across the nations and regions of the UK should also be a central aim of any approach to growth. The Government should implement strategies to attract inward foreign investment beyond London and the South East, as well as support for the development of structural plans for cities that are country-wide, rather than city-wide, and which are coordinated strategically from a national point of view as part of a connected ecosystem.

Enabling greater devolution is important – we need local strategies for the built environment. Strong leadership, which incorporates local expertise and engages with people living and working in the region, can unlock growth and help to tackle regional inequality.

Investing in infrastructure to improve connectivity and decentralising transport funding so that Local Growth Plans can address regional needs directly.

Developing a skilled, regionally anchored workforce to meet industry demands. Local industries and education providers should be working together to inspire the next generation and create opportunities such as workshops and placements. Training programmes should be tailored to meet sector-specific needs such as digital and green skills.

Supporting sustainable and inclusive development that prioritise net-zero carbon objectives, endorsing incentives such as retrofit programs that modernise infrastructure and ensure a positive environmental impact for the future.

How should the Industrial Strategy align with devolved government economic strategies and support the sectoral strengths of Scotland, Wales, and Northern Ireland?

The industrial strategy should embrace the principle of complementarity with the devolved economic strategies in Scotland, Wales, and Northern Ireland.

In Northern Ireland, the Investment Strategy for Northern Ireland aims to create a globally competitive economy focussed on digital transformation, clean energy,

advanced manufacturing, life sciences and creative industries. The UK Government's industrial strategy should support the growth of areas of high economic potential in Northern Ireland and, in partnership with the Northern Ireland Executive, encourage the creation of a new industry of standards-compliant retrofitting of domestic and non-domestic properties to improve energy performance and ease cost-of-living pressures.

In Scotland, the [Infrastructure Investment Plan 2021-22 to 2025-26: progress report - 2021 to 2022](#) was published in February 2021, which focuses on three themes relating to enabling net zero emissions and environmental sustainability; driving inclusive economic growth; and building resilient and sustainable places. Given the focus on sustainable growth, there are areas of collaboration between the UK and Scottish Governments to help drive clarity and certainty for businesses and people. Some of these areas include, the Scottish Central Government Energy Efficiency Grant Fund and the establishment of Home Energy Scotland, the continued roll-out of onshore and offshore wind provision, and the commitment to embed the Just Transition into legislation.

Elsewhere in Scotland, innovation can be trialled and rolled out regionally through arms-length bodies such as the Scottish Futures Trust (SFT). This body was set up in 2008 to help ensure better value for taxpayers' money in the delivery of public infrastructure projects. It is a limited company owned by Scottish Ministers, whose activities are overseen by a board appointed by Scottish Ministers.

The SFT aims to improve the efficiency and effectiveness of infrastructure investment in Scotland by working collaboratively with public bodies and industry. RICS has worked collaboratively with this organisation during this time, on subjects such as the [Net Zero Standard](#), where our [Whole Life Carbon Assessment](#) Standard underpins this work.

The Well-being of Future Generations (Wales) Act 2015 will form a central part of the industrial strategy of Wales, with the Prosperous Wales goal summarising future economic development as 'decent work, a low carbon society, fair and local procurement, local economies, skills for the future and using resources efficiently (circular economy).'

Planning delays have been a significant barrier to growth in Wales, and in November 2024, the Welsh Government announced the expansion of powers for Planning and Environment Decisions Wales (PEDW) to oversee renewable energy projects up to 50MW, seen as a move to bring planning decisions down by several months make investment more attractive.

Wales has several unique economic challenges that a joined-up industrial strategy must support. This includes the downsizing of Port Talbot steelworks and the knock-on impact for thousands of people and generations of the town, the continued cross-party calls in Wales on HS2 funding and the failure to progress with tidal lagoons.

That said, an industrial strategy for Wales does offer unique opportunities. Cardiff Airport, being government-run, is in a strong position to offer competitive trade, as seen by the opening of recent cargo flights to China, with the opportunity for further expansion. The 2024 Autumn Budget announced further expansion of hydrogen infrastructure in Wales, seen as an area of significant economic growth. Cardiff is estimated to be the fastest-growing city outside of London over the coming years, with manufacturing, health, finance and insurance the largest growth areas.

Partnerships and Institutions

How should the Industrial Strategy Council interact with key non-government institutions and organisations?

The Industrial Strategy Council should engage widely with non-government institutions and organisations. It is critical that that engagement is across the country to ensure the modern industrial strategy focuses on unlocking growth in the right places.

We would encourage the Industrial Strategy Council to engage closely with the built environment sector. As a globally recognised professional body, RICS sets the standard for many thousands of members and candidates in more than 140 countries. This means that we have considerable expertise in wide-ranging areas including land, real estate, construction and infrastructure.

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