The impact of Covid-19 on the UK construction industry

Mr Mark Stride, Dr Subashini Suresh, and Dr Suresh Renukappa
Faculty of Science and Engineering
University of Wolverhampton
United Kingdom

Executive summary:

- This written evidence provides a richer insight into the understanding and awareness of the impact of Covid-19 and the changes that the UK construction industry has had to undertake in order to adhere to the lockdown rules while being productive. This written evidence contributes towards informing policymakers on some lessons learned from the management of the Covid-19 from the construction industry perspective.
- In total, 13 semi-structured interviews from 10 construction organisations were conducted to collect evidence, which was then analysed for conclusion and recommendations.
- Five C’s (i.e. create culture, control systems, courageous decisions, and combat mental health and care for employees) are recommended that have been recognised and should be implemented to help employers and employees safely adapt to workplace during and post-Covid-19 outbreak.

Brief introduction and reasons for submitting evidence:

This research team from University of Wolverhampton is currently exploring the impact of Covid-19 outbreak on managing talent in the construction industry. During these uncertain times, there are fears that key skills are lost, new recession might happen, and the economic growth would slow down. Therefore, we see it as a responsibility to help the sector move forward during and post-Covid-19 outbreak.

Written Evidence

1. Covid-19 has brought immediate unprecedented change to many construction companies and their workplaces. The pandemic has drastically changed the way we work, communicate and socialise leaving us with significant daily changes that would need to be measured on an extraordinary scale. Some companies are more adept than others continuing to work effectively but are still hampered by other
organisations that delay their free-flowing motivation removing efficiency, productivity and value for money whilst inevitably increasing the skills shortage. The UK Governments’ ‘Construction 2025’ report noted that two-thirds of construction contracting firms are not innovative and subsequently halting technological progress within the sector. This is now prevalent, having a negative impact, as many site products could have been prefabricated and installed onsite in accordance with social distancing measures. Industry 4.0 is set to move forward rapidly. Industry 4.0 has been introduced in the UK as a term which describes the construction industry moving onto a digital and automated environment. This article explores impact of Covid-19 and the changes that the construction sector has had to undertake in order to adhere to the lockdown rules while being productive.

2. Semi-structured interviews were carried out with 13 construction professionals from 10 companies. A range of both men and women who are employed in varied positions including tradesmen, marketing managers, site/project managers, a director and construction recruitment agents ensuring a full scope of opinions were incorporated within this study to firstly understand what their experiences of Covid-19 are, how companies are adapting, what organisations are planning for the future and key learning points that could be adopted UK wide.

3. Overwhelmingly, all the interviewees explained that their companies had been affected by the Covid-19 pandemic. Of the interviewees, 46% now temporarily work remotely, 15% are still site based, 23% have been furloughed and 16% had lost their job. However, 100% of the interviewees admitted their employers now have to deal with significant cash flow issues and site delays. 77% of interviewees explained that many of the delays were due to other parties including contractors, materials and clients. An example was a company who had submitted three planning applications to three different planning authorities. Two applications were granted, however, the other was delayed by three months as the planning authority did not have the ability to work remotely. Further to this, a site manager explained that there is a shortage of materials meaning that there are significant lead times and therefore, has had to leave site on multiple occasions to collect ‘essential’ building products to enable works to continue, however, this has meant sites are then left unsupervised increasing potential health and safety risks.

4. One of the interviewees admitted that 75% of their recruited staff has been laid off by employers and warned of an increased skills shortage issues in the workplace, in addition to this ‘The Princes Trust’ publicised that 43% of 16-25 year olds feel ‘it will be harder than ever to get a job’ and three interviewees who work in new build housing warned that they are expecting inevitable complaints from vendors who have purchased properties but are delayed and will inevitably be further delayed as re-employing skilled labour to sites will be difficult.
5. All the interviewees who were employed or furloughed agreed that their companies had been exceptionally supportive during the lockdown period, offered reduced hours when necessary, time off for family bereavements, reducing sales targets and ensuring staff have relevant technology including laptops and mobiles whilst working at home and further to this two companies have sent out Display Screen Equipment (DSE) self-assessment forms. One of the interviewees, a director, explained that there are processes that cover disasters in the current workplace and previous organisations such as: IT breaches; exceptional financial issues; and major sickness and therefore it enables companies to support their staff.

6. Three interviewees explained that there was confusion of the furlough regime explaining that some staff were still working whilst being furloughed and four interviewees who are working remotely and have children explained that home schooling has been a challenge whilst trying to work, one interviewee explained that they used to use the commute home to switch off from work. Two interviewees have lost their jobs and therefore admitted to having personal money issues and two interviewees explained that they think mental health issues will increase as people are not physically contacting each other and will have an increased impact on those who are not used to working from home. Another interviewee commented that it is a struggle to keep in contact with the wider team, who the interviewee would see daily, and commented that video technology could advance to have ‘coffee mornings and drop-in sessions’ instead of constant formal meetings to allow people to catchup in an informal manner. In conjunction to this Public Health England revealed that 84.2% of the UK public are worried about the effects of Covid-19.

7. Generally, interviewees have explained that teams have worked collaboratively to ensure that projects are continuing albeit at a slower pace. There has been a huge increase of video technology to communicate between teams and companies. One of the interviewees explained that there company was using the technology to ease mental health issues by having team meetings at the start and end of each day to discuss any work or personal related issues, and 100% of employed interviewees claimed that their companies were keeping in contact whilst updating all staff. Remote working has also seen a huge saving as one company explained that an average of 35,000 sheets of paper were printed per month, but only 1000 sheets have been printed this month and will potentially remove a printer from the office.

8. Collaborative approach between employers, employees and contractors has meant that companies can start planning and implementing policies to allow colleagues to
start going back to their regular workplace. All employed interviewees claimed that their companies were increasing social distancing within the offices by limiting staff within communal areas, implementing one-way systems and increasing the use of remote working. Three interviewees claimed that site managers would be checking employees’ temperatures and further to this one interviewee have to fill out a daily check form for each site member.

9. One interviewee, a site manager claimed that pre-fabrication is not used effectively, and the company do not use modern methods of construction regularly, however, through experience he claimed that it would allow sites to become more efficient, using quicker methods, as it is easier to ensure that people are socially distancing in the factories and on construction site.

10. In conclusion, as companies already have procedures in place for major issues that hit the business it means that they are ready to support employees and the workplace for the short term. However, the procedures are not bespoke and do not cover issues including this unprecedented Covid-19 pandemic. Long term plans to future proof the workplace and construction industry will now need to be designed to improve the adaptation of industry 4.0, knowledge management and employee welfare.

11. The following recommendations are drawn for the Government and the construction industry to rethink and act on the following aspects to help employers and employees safely adapt to workplace during and post-Covid-19 outbreak.

   (i) **Create culture:** Companies must create safe remote working culture. 46% of the interviewees explained that they had acceptable technology to work remotely and there is a further 38% who will be reemployed into the sector, but only two companies provided Display Screen Equipment self-assessment forms. Therefore policies must change to ensure that staff are working safely by advising employees how to sit correctly, have appropriate chairs, the location and height of a ‘desk’ and the dangers of trailing leads especially with children in the area.

   (ii) **Control systems:** Access control systems are an essential method of managing employees in an office/site. By using this management analysis technology, companies can review how many employees are accessing the areas and analysis can be completed to strategically plan which essential employees are required. Construction sites can use this to deter
the public from the sites, only let specific members on and plan which trades need to be in specific areas of the sites.

(iii) **Courageous decisions:** A greater use of pre-fabrication must be used. Pre-fabrication has many benefits, however, for this study, it allows products to be made in safe factory conditions, transported to site, and installed using less operatives. Site managers are leaving site to pick up materials when their responsibility is onsite. This is a safer and more efficient method of working, enabling workers to keep a safe distance from each other and leaving site faster. Further to this, a materials ordering system/software must be developed for all site materials including both pre-fabricated and ancillary supplies to ensure that the lead times are not extending, employees are not put at risk and can be delivered to site more efficiently without delay. The Government need to help Micro, Small, and Medium Enterprise’s to be more courageous and invest in more efficient methods of working such as pre-fabrication programming/ordering software and technology. By offering grants and discounts to frameworks, it will give businesses more confidence to take financial risks and become more profitable upon project completion.

(iv) **Combat mental health:** There has noticeably been an increase of mental health issues as the UK Government and charities have publicised this, however policies must be implemented to combat mental health and wellbeing, infiltrating knowledge through employers by using E-learning and video conferencing by participating in courses, liaising with mental health first aiders and informally catching up with colleagues.

(v) **Care for employees:** One of the interviewees explained that they had received a personal protective equipment (PPE) hamper to attend sites and alternative offices. PPE should be the last method of protection; however, care must be shown towards employees as they deserve adequate safeguarding. Therefore, by delivering PPE hampers to employees it will mean they have got it and it is ready to use when needed and will not have to search through offices to find it.

*May 2020*