

# 2012

# UK Industry Performance Report

Based on the UK Construction Industry  
Key Performance Indicators





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# Foreword

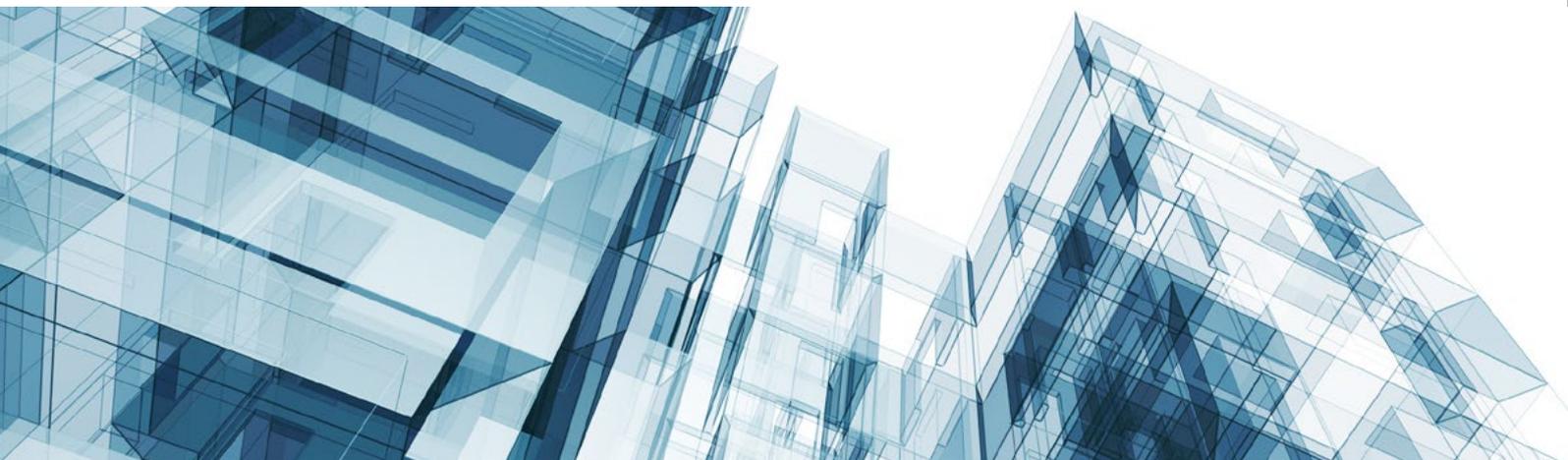
**T**he Construction Industry has faced challenging market conditions over the last four years. The latest Construction Key Performance Indicators (KPIs) compiled and published by Constructing Excellence and Glenigan provide a valuable insight into how the industry is responding to the challenge.

Since their introduction 14 years ago the Construction Key Performance Indicators have charted a sustained improvement in the industry's productivity, social responsibility and economic performance. I am pleased to see that the latest 2012 Key Performance Indicators show that in a majority of areas the industry has maintained and built upon previous improvements. Unfortunately a number of important measures, particularly those surrounding the timely delivery of projects, have deteriorated over the last year. Although external influences, such as the availability of finance, may be contributing factors, clients will value companies that can maintain a strong performance in these areas. In particular, value for money and quality of service will remain key for clients over the coming year.

The Construction KPIs provide the benchmarks against which contractors demonstrate their track record to clients and win work. Strikingly, half of firms surveyed reported that over 79% of their turnover was attributable to repeat clients. KPIs are a valuable tool that can help firms across the industry to strengthen their ties with existing clients and secure profitable repeat business. Analysis of the latest data reveals that, on average, clients had a markedly higher level of satisfaction on projects where KPIs had been deployed to monitor their performance.

Many of the industry's major repeat clients are assessing their own performance against a wider range of commercial, social responsibility and environmental criteria; and are looking to contractors and their supply chains to demonstrate a similar approach. New, more quantitative, indicators introduced this year strengthen the Construction KPIs coverage in all three areas.

The Construction KPIs provide a set of tools that can be used by companies across the sector to evaluate their performance and raise their game against their peers, bringing lasting benefits to the whole industry.



# Preface

This is the fourteenth edition of the Construction Industry Key Performance Indicators. The KPIs have become a mainstay of the industry since their initial development in 1998. These indicators are based on data from thousands of projects completed over the last year and is collated by Glenigan from surveys of construction clients, contractors, consultants and sub-contractors. These KPIs enable individual firms to benchmark their performance against other firms. They also enable us to measure improvement across the industry through this annual Industry Performance Report.

This is the second year in which Constructing Excellence and Glenigan have been jointly responsible for compiling and publishing the KPIs, after BIS and ONS awarded the contract in 2009. Over the last two years we have been able to take a number of steps to help ensure the viability of the KPIs for the future.

Glenigan has implemented a series of changes to strengthen the KPI data collection process. In particular:

- Improved coverage of the sector through the use of the Glenigan database.
- More timely issuing of surveys to completed projects— surveys are sent in as few as 15 days following project completion.
- Reduced paperwork burden for businesses through the use of electronic surveys

Following a major review to ensure that the KPIs remain relevant to industry, this year's results also include new and updated KPIs. The 2012 KPI results for these new KPIs, covering areas such as repeat business, staff composition and CSCS registration, will serve as a benchmark for the industry's performance in future years.

This report provides an overview of the construction industry's performance and contains trend data for economic performance, people performance and environmental performance, as well as for housing and consultants.

## The KPI team

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# Key Performance Indicators 2012

The harsh economic climate and protracted downturn in industry workload is evident in the latest Key Performance Indicators, which are based upon projects completed during 2011. The construction industry has endured a further sharp fall in profitability over the last year as workloads have fallen and margins have been squeezed. Median profitability has fallen to 2.7%, in marked contrast to the 9.9% recorded in 2009. Labour has been shed over the last three years as companies have had to adjust to the deterioration in market conditions, with the retained workforce being more intensively deployed.

The latest Indicators suggest that the challenging economic environment is now undermining the industry's efforts to deliver an improved product and service to clients. Data for 2010 and 2011 had found that despite the economic downturn the industry had been able to hold on to previous improvements in client satisfaction, while the predictability of project delivery, both to cost and to budget, had been further improved. Unfortunately the 2012 Key Performance Indicators have recorded retrenchment in a number of important areas, suggesting that the protracted squeeze upon industry workload, employment and margins has adversely impacted upon the industry's performance.

Conversely contractors reported an increased satisfaction with their client's overall performance as well as the provision of information and payments. At this stage it is unclear whether this marks a structural and hopefully permanent improvement. The economic recession may be a contributory factor with repeat clients accounting for a greater proportion of projects completed during the year. Companies reported that, on average, 79% of

their turnover was from companies they had previously worked with.

Encouragingly, analysis found higher levels of both client and contractor satisfaction on projects where KPIs had been used to monitor performance during the construction and design process. The difference was particularly marked for clients' perception of service delivery, with 80% of clients giving a rating of 8 or more out of 10 on projects using KPIs, compared to 70% on non-KPI projects.

Looking ahead, although the industry is expected to gradually emerge from recession, trading conditions will remain tough. Public and private sector clients alike will continue to demand that firms demonstrate their ability to deliver projects to time and to budget. The Construction Industry Key Performance Indicators provide firms with the benchmark against which they can appraise their own performance and help identify where they can secure future improvements that will help safeguard their competitive position and win work.

## Economic indicators

A slow, but sustained, improvement in the satisfaction KPIs has been arrested by the protracted downturn in construction activity. Client satisfaction levelled off during 2010 and 2011 and has slipped back in the latest set of indicators. The last year has also seen a reversal of the recent time predictability KPIs. In contrast, contractors' satisfaction with clients has continued to improve while recent improvements in predictability of cost measures have been maintained.

## Client Satisfaction

Clients 'satisfaction with the finished product' scored an 8 out of 10 or higher on 83% of surveyed projects, this is a slight decline on the record 87% achieved during 2010 and 2011. Clients with large projects (those value at £5 million or more) were less satisfied (79% scored eight of ten or better) than those with small projects of less than £1 million (84%).

Client Satisfaction with the service received from

contractors also declined for the third consecutive year. At 75% the proportion of clients rating service as 8 out of 10 or better has dropped to a level last seen in 2007. There was a disparity between client satisfaction with large projects and those with smaller projects (71% compared to 77%).

There was also some variation between the types of project. Clients rated the service lowest on private housing projects with 59% giving a rating of 8 or more out of 10. This is in despite 85% of clients on such projects rating the product highly.

On 78% of projects, clients scored 'value for money' as eight out of ten or higher. This is a 3% drop on 2011, but the third highest mark since the survey started. Once again, projects under £1 million fared well with 81% of such projects rated 8 out of 10 or better. This compares with just over three quarters of large projects.

Contractor satisfaction scored highly in 2011. The KPIs either equalled all-time highs or set new highs. However, like clients, their satisfaction decreased as the projects got bigger.

**Overall contractor satisfaction with the performance of the client rose to a new high during 2012, with three quarters of contractors rating the client's performance as 8 out of 10 or better**

Satisfaction was especially high on projects valued under £1 million, with 79% of such projects achieving a rating of at least 8 compared to 73% of larger projects.

Contractor satisfaction with the client's provision of information reached a new high, with 74% giving a rating of 8 out of 10 or higher. Seventy per cent of contractors on projects with a construction value of £5 million or more gave such a rating. This compares to 55% in last year's survey. On small schemes, 77% of contractors rated the provision of information by the client as 8 out of ten or better, up from 69% in 2011.

Contractor satisfaction with payment also improved. Four out of five contractors gave a rating of 8 or above; the greatest proportion since the survey started.

The KPI for the clients' rating of the 'condition of the facility in respect to defects' improved, recovering some of the ground lost during 2011. Seventy-four per cent of clients rated the impact of defects as 8 out of 10 or better; this compares to 68% in 2011 but is still off the 77% peak achieved in 2009. Larger projects continue to drag down the overall rating, with only 62% of schemes over £5 million securing a rating of 8 or more compared to

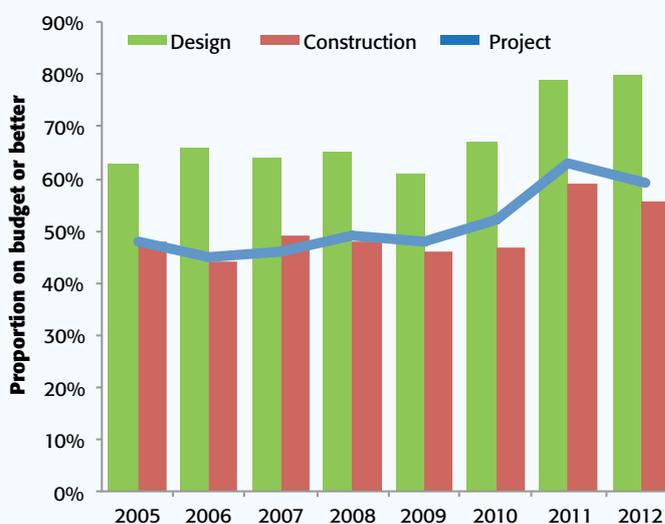
74% of projects of £1 million to £5 million and 79% of small projects.

## Predictability

Recent improvements in the cost predictability measures were maintained during 2012, while the year saw a reversal of the trend in the time predictability KPIs.

**Project costs** were on budget or better for 61% of projects; this is slightly down on the record 63% recorded in 2011, but substantially above the level achieved in any previous year.

### Cost Predictability



**KPI results**

N.B. KPI results relate to projects completed during previous year

**Design costs** came in on or under budget 79% of the time. This maintained the record high set in 2011. The predictability of design costs was especially good on large projects, with 83% of £5 million plus schemes being on budget or better, this compares to 74% of sub-£1 million projects.

Predictability in the **cost of construction** was broadly unchanged on 2011, with 58% coming in on budget or better compared to 59% last year. Projects of £5m or more were on budget or better only 46% of the time compared to 60% for projects under £1m; in contrast to 2011 when larger projects outperformed smaller schemes

The **time predictability KPIs** are less encouraging, with the improving trend in all three measures suffering a reversal during 2012. Whilst poor weather may have played its part, the deterioration suggests that the harsh economic climate is taking its toll. Funding issues, fragile market conditions and related delays in starting the construction of

projects may have contributed to the slide in the predictability of the design phase. It is noticeable that the predictability of private housing projects was especially poor, suggesting that the weak housing market has impacted on both the design and construction phases of surveyed projects. In addition firms across the construction industry have had to shed labour over the last 5 years; this may now be constraining firms' ability to respond promptly to the unanticipated demands during the design and construction phases of a projects life and having a detrimental impact on its timely delivery.

**Projects, as a whole, came in on time or better 34% of the time.** This compares to 45% of projects in 2011 and is the worst performance for 12 years. Projects under £1m were more on time than their larger counterparts (43% versus 27%). The time predictability for the design has slipped back further, with design being delivered on time or better for only 48% projects. This compares to 51% in the previous year and the record high of 59% recorded in 2010. The construction phase was on time or better for 42% of projects. This compares to 60% last year.

## Profitability

**Industry profitability has continued to tumble,** falling from 5% in the 2011 survey to 2.7% this year. This is the lowest level since the survey began and is in sharp contrast to the peak of 9.9% recorded in the 2009 survey. The progressive decline in profit margins charted by the last three surveys reflects the squeeze on contractors' margins from falling tending prices.

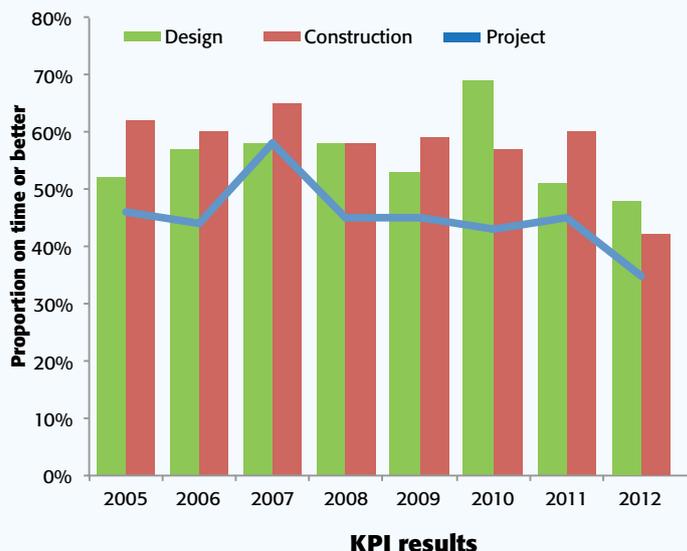
The initial sharp jump in **productivity** seen in the 2011 survey results was due to contractors making more efficient use of a slimmed down workforce. In contrast the latest year has seen a more modest improvement, with productivity rise by just 1.1%.

## Safety

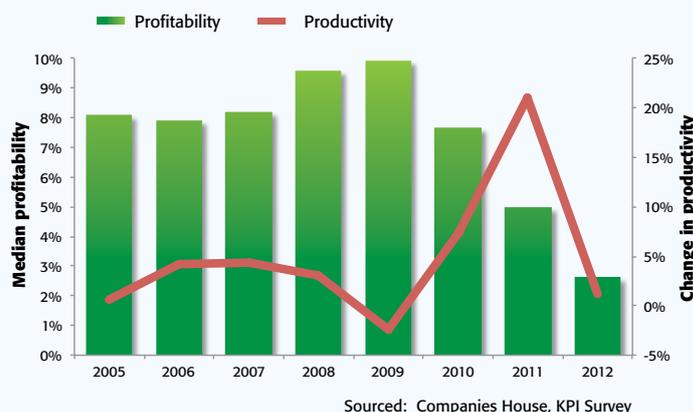
The first few years of the survey saw safety KPIs improve dramatically. In 2007, the percentage of contractors reporting no accidents topped 60% for the first time and remained steady during the subsequent four years. This has been maintained in the latest survey, with 63% of main contractors reporting a zero accident rate (the rate rises to 80% for contractors and sub-contractors).

The official HSE statistics have also recorded a sustained improvement in the industry Accident

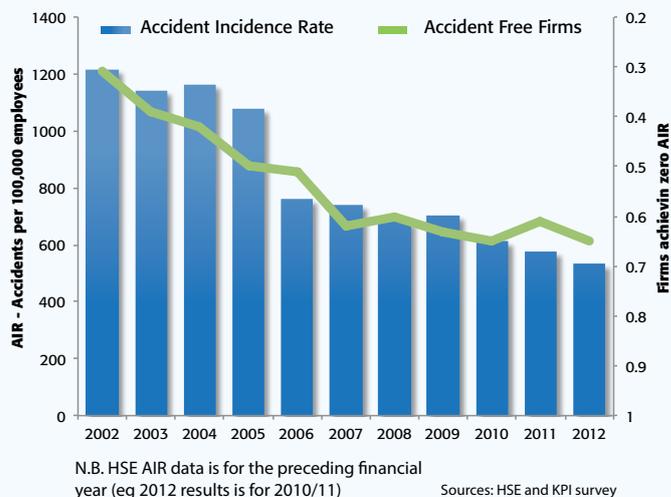
## Time Predictability



## Profitability & Productivity



## Accident Rates



Incident Rate, which fell to 536 per 100,000 employees in 2010/11, a 7% reduction on the preceding year.

## People indicators

Respect for People KPI data have been collected and analysed for eleven years. The latest survey includes a series of new KPIs covering CSCS take-up, changes in direct employment and the composition of the workforce.

The first four years showed steady improvement in most areas, but the picture has been mixed since then.

The downward trend in **staff turnover** has been reinstated, with average turnover dropping to a new low of 2.1%. Unfortunately the fall appears to reflect retrenchment across the industry: The new KPI on staff loss found that on average 9.1% of direct by employees had left the surveyed firms during the year. The low staff turnover figure suggests therefore that departing employees are not being replaced.

**Sickness absence** returned to a median of 1.7 days lost per employees pre year, having dropped to a record low of just one day lost per year in 2011. Conversely, median training days improved. Having fallen to an all-time low of just 0.6 days per employee last year, training rose to 1.5 days, suggesting that firms in part may have been investing in training that had been deferred from the previous year.

Employees covered by Investors in People commitment & recognition slipped back from 18% to 14%.

The median number of employees qualified to NVQ Level 2 or higher rose sharply to 66%, almost twice the level seen in 2011. Over half (56%) of direct employees held a Construction Skills Certification Card (CSCS).

On average 15% employees were women. People under 24 accounted for 8% of employees and 11% of employees were aged over 55.

## Environmental indicators

**Following a review we have now adopted a more quantitative suite of environmental indicators KPIs. This year's Environmental KPIs reveal strong improvement, especially in the areas of energy usage and waste reduction.**

Looking at **product performance**, the designed median energy use fell to 2,000 kg CO2 per 100m2 of gross floor area. This is a 41% decline on 2011. The median Housing SAP2005 rating has also improved and at 86.5 is 4.5% up on a year ago. Less encouragingly designed average waste

usage was unchanged on the previous year and the proportion of respondents reporting no change or an increase in created or retained habitat on a scheme fell slightly to 77%.

**On-site energy usage** has fallen sharply. Median energy use, at 196 kg CO2 per £100k of project value (current prices), is 36% lower on a year ago.

Mains water use rose from the record low recorded in 2011. In contrast waste and commercial vehicle movements have maintained their downward trend, to reach new record lows

The median waste removed from sites saw a fifth successive decline, falling by 27% to record low of 19.4 m3. At 24.0 m3 waste from small projects was 21% down on 2011. In contrast median waste from larger projects rose fell by 56% to 17.3 m3.

Median commercial vehicle movements also fell to 16.1 per £100,000 of project value from 19.7 in 2011, a 26% decline. Vehicle movements were highest on sub-£1million projects at 34.2 per £100,000.

## Housing

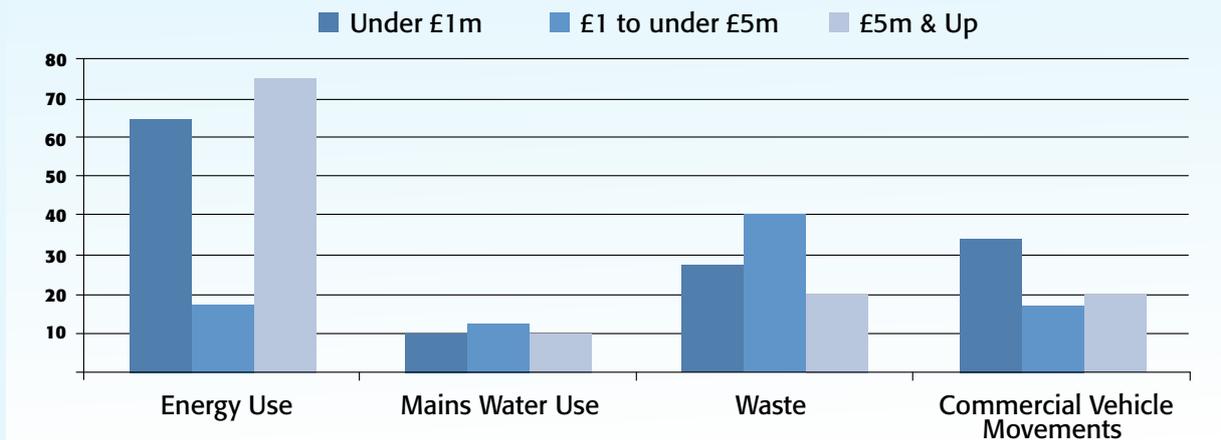
KPIs for **client satisfaction** with the product and service slipped back from the record highs seen during 2011. More encouragingly the proportion of clients rating the **impact of defects** at handover at 8 out of 10 or better improved for a second year, rising to 79%.

There was a mixed performance for the **cost predictability** indicators. The predictability of design costs rose to a record level, with 81% of clients reporting design costs to be on budget or better. In contrast the proportion of clients reporting that construction costs were on budget or better slipped from 59% to 55%. The overall predictability of housing project costs improved slightly, with 62% of clients reporting that their scheme had been completed on or below budget compared to 59% in 2011.

Time predictability has deteriorated over the last year. The proportion of projects constructed on time or better halved to a new low of 30%. The predictability of the design phase also slipped with only 44% of projects completing the design phase within the planned timeframe. The predictability of the design phase on larger projects (over £5 million) was especially weak, this may reflect delays due to the weak housing market and the continued restrictions on mortgage and development finance. The net result was that only a quarter of housing projects completed during the year were delivered within the planned timeframe. This compares to 37% in the 2011 survey.

# Environmental Performance by Project Size, 2012

Constant 2005 Values



Energy use = kgCO<sub>2</sub>/£1m of project value; Mains water use and waste = m<sup>3</sup>/£100k of project value; commercial vehicle movements = number/£100k of project value

## Non-Housing

KPIs for **client satisfaction** of non-housing projects slipped back, but remained strong at 83%. Satisfaction with service, on the other hand, dropped to its lowest level since 2004. However the defects KPI improved, with 72% of clients rating the impact of defects at handover as 8 out of 10 or better.

The recent improvement in **cost predictability** has lost momentum. Clients reported no further improvement in the predictability of the design and construction cost, while the overall predictability of the projects slipped back. The cost predictability for the construction phase and the project overall was weakest on schemes over £5 million, with 55% of such projects coming in to cost or better.

**Time predictability** figures were all down on 2011. Only 37% of clients reported that the project had been completed within the planned timeframe, compared to 47% in 2011. The drop in the predictability of the design and construction phases was smaller with 49% and 46% of clients respectively reporting that they had been completed within planned timeframes. Schemes with a construction value of £5 million or more had been the least predictable, with the design phase of only 35% of such projects being within the planned timeframe. In a number of cases the harsh economic climate is likely to have contributed to the deterioration with the commencement of construction delayed by funding difficulties and market uncertainty.

## Consultants

Overall, client satisfaction with consultants has improved since 2002, with the dramatic gains recorded in 2010 and 2011 maintained in the latest set of KPIs. In 2012, overall client satisfaction was rated an eight or better of out of ten by 75% of respondents. Clients rated consultants highest on small projects, those with a value of under £1 million. Overall client rated their satisfaction as 8 out of ten or more on 76% of small projects compared to 72% of larger projects of £5 million or more. Three quarters of clients gave a similar rating to the timeliness of consultant's delivery, up from 72% in 2011. Customers' rating of the quality of service slipped slightly, however, with 73% rating service provided by consultants as 8 out of 10 or better.

# Economic KPIs – All Construction

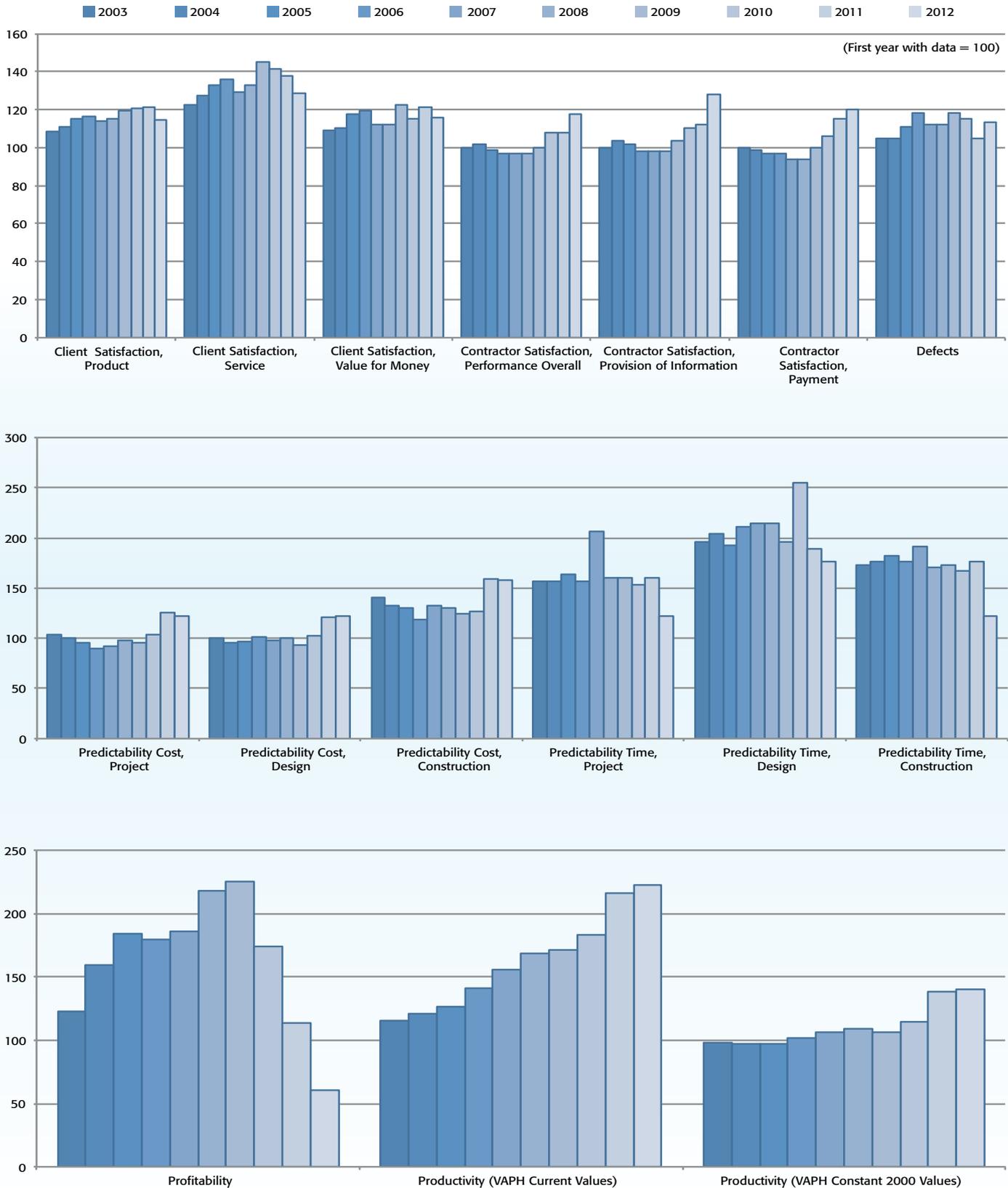
## Year-on-Year Comparisons

KPI	Measure	Performance										Trend	
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Last Year	All Years
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	78%	80%	83%	84%	82%	83%	86%	87%	87%	83%		
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	71%	74%	77%	79%	75%	77%	84%	82%	80%	75%		
<b>Client Satisfaction - Value for Money</b>	% scoring 8/10 or better	73%	74%	79%	80%	75%	75%	82%	77%	81%	78%		
<b>Contractor Satisfaction - Performance - Overall</b>	% scoring 8/10 or better	64%	65%	63%	62%	62%	62%	64%	69%	69%	75%		
<b>Contractor Satisfaction - Provision of Information - Overall</b>	% scoring 8/10 or better	57%	59%	58%	56%	56%	56%	59%	63%	64%	73%		
<b>Contractor Satisfaction - Payment - Overall</b>	% scoring 8/10 or better	67%	66%	65%	65%	63%	63%	67%	71%	77%	80%		
<b>Defects - Impact at Handover</b>	% scoring 8/10 or better	68%	68%	72%	77%	73%	73%	77%	75%	68%	74%		
<b>Predictability Cost - Project</b>	% on cost or better	52%	50%	48%	45%	46%	49%	48%	52%	63%	61%		
<b>Predictability Cost - Design</b>	% on cost or better	65%	62%	63%	66%	64%	65%	61%	67%	79%	79%		
<b>Predictability Cost - Construction</b>	% on cost or better	52%	49%	48%	44%	49%	48%	46%	47%	59%	58%		
<b>Predictability Time - Project</b>	% on time or better	44%	44%	46%	44%	58%	45%	45%	43%	45%	34%		
<b>Predictability Time - Design</b>	% on time or better	53%	55%	52%	57%	58%	58%	53%	69%	51%	48%		
<b>Predictability Time - Construction</b>	% on time or better	59%	60%	62%	60%	65%	58%	59%	57%	60%	42%		
<b>Profitability <sup>1</sup></b>	Median % profit before interest & tax	5.4%	7.0%	8.1%	7.9%	8.2%	9.6%	9.9%	7.7%	5.0%	2.7%		
<b>Productivity - (VAPH Current Values) <sup>1</sup></b>	Median value added/FTE employee (£000)	31.1	32.6	34.2	38.2	42	45.5	46.2	49.5	58.5	60.0		
<b>Productivity - (VAPH Constant 2005 Values) <sup>1,2</sup></b>	Median value added/FTE employee (£000)	37.0	36.4	36.7	38.2	39.9	41.1	40.1	43.0	52.1	52.7		
<b>Repeat Business</b>	Median % turnover from companies worked with previously	-	-	-	-	-	-	-	-	-	79.2%	n/a	n/a

1. The measure for this KPI was changed in 2000; thus 1999 data was not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This method was applied retrospectively and, where applicable, results were revised.
2. Current values are deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values.

# Economic KPIs – All Construction

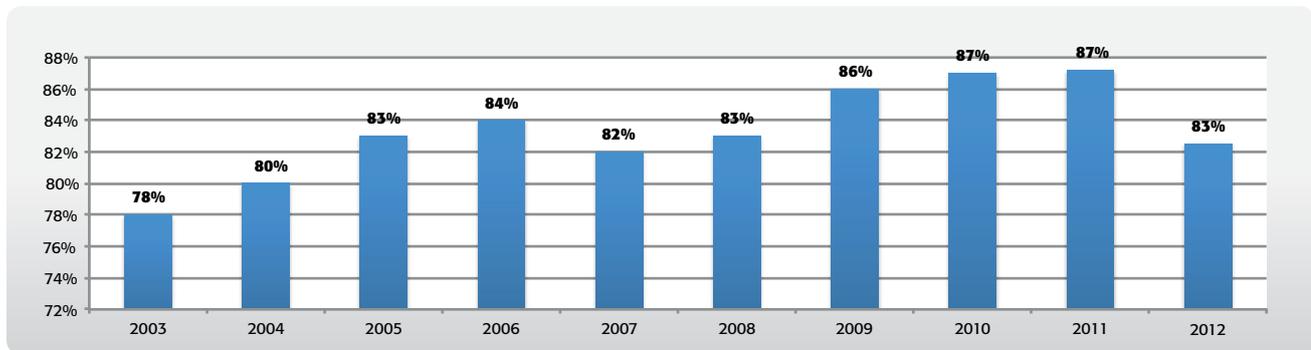
## Year-on-Year Comparisons (cont.)



# Economic KPIs – All Construction

## Individual KPI Trends

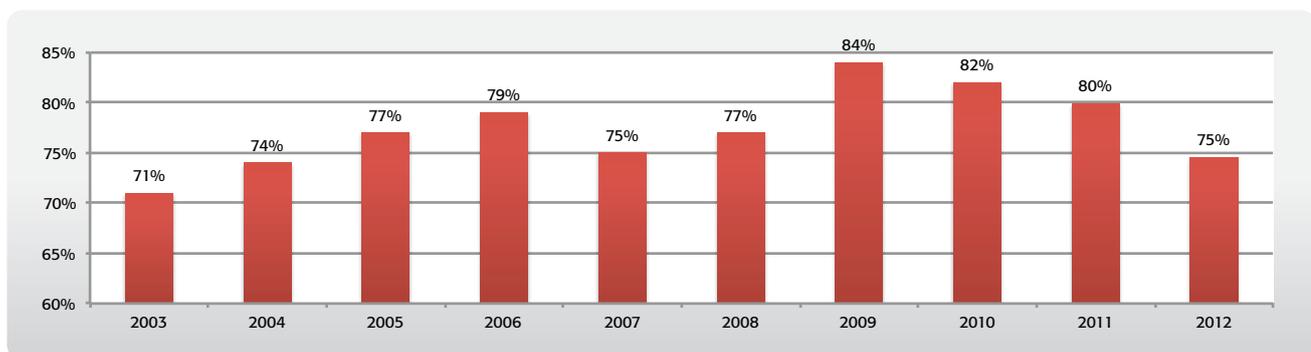
### Client Satisfaction - Product



The annual KPI surveys ask clients to rate how satisfied they were with the completed facility on a scale from 1-10.

The KPI slipped back from the all-time high of 87% of projects scoring 8 out of 10 or better seen in 2010 and 2011 to 83% of projects in 2012.

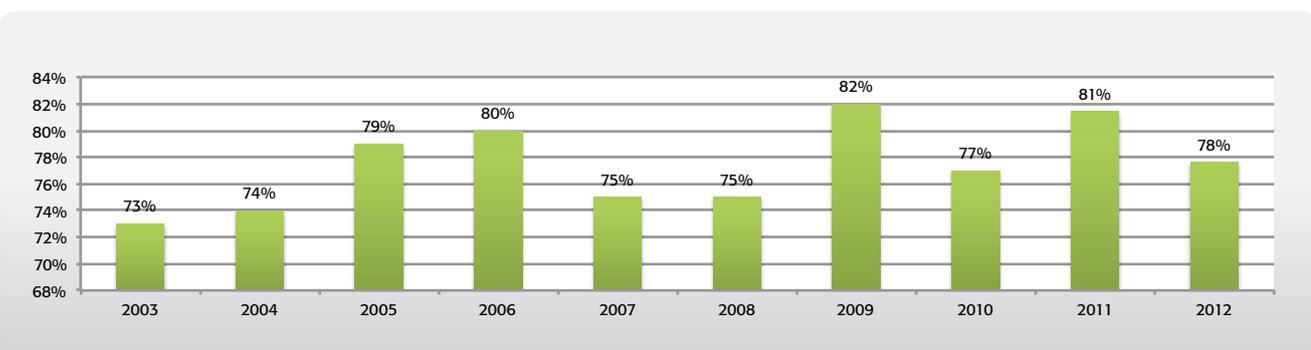
### Client Satisfaction - Service



The annual KPI surveys ask clients to rate how satisfied they were with the service provided by the project team on a scale from 1-10.

Client satisfaction weakened for a third consecutive year. Whilst off the all-time high of 84% of projects scoring 8 out of 10 or better in 2009, three-quarters of projects still secured this rating in 2012.

### Client Satisfaction - Value for Money



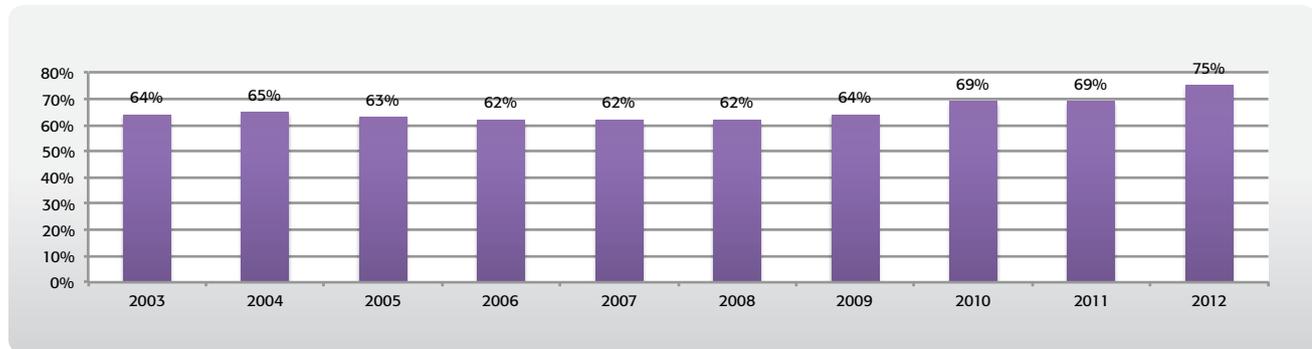
The annual KPI surveys ask clients to rate how satisfied they were with the value for money provided on the project on a scale from 1-10.

In 2012, 78% of projects scored 8 out of 10 or better, a 3% decline on the previous year.

# Economic KPIs – All Construction

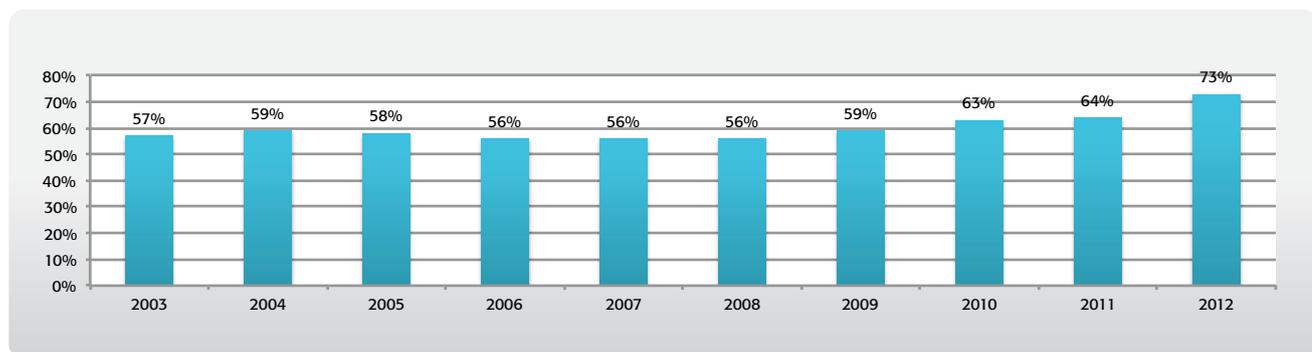
## Individual KPI Trends (cont.)

### Contractor Satisfaction - Performance - Overall



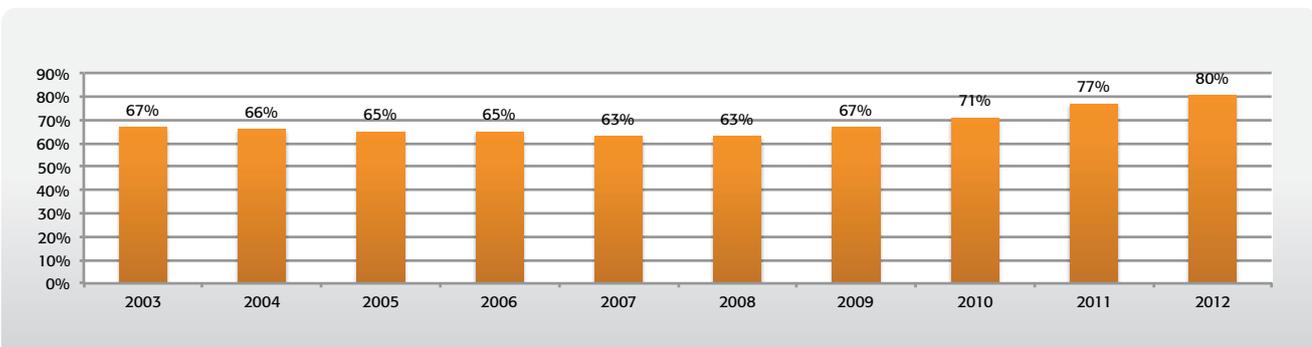
The annual KPI surveys ask contractors to rate how satisfied they were with the overall performance of the client on a 1-10 scale. The last year has seen a further improvement, with 75% of contractors' rating clients overall performance as scoring 8 out of 10 or better.

### Contractor Satisfaction - Provision of Information - Overall



The annual KPI surveys ask contractors to rate how satisfied they were with the overall provision of information by the client on a 1-10 scale. The last year has seen contractors' perception of the information provided by clients improve. In 2012 73% of contractors awarded 8 out of 10 or better, a record high.

### Contractor Satisfaction - Payment - Overall

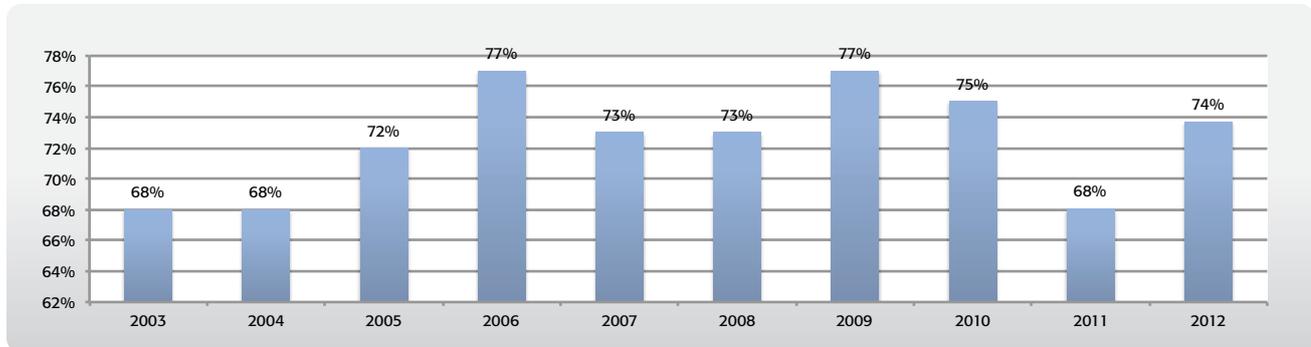


The annual KPI surveys ask contractors to rate how satisfied they were with the overall provision of payment by the client on a 1-10 scale. In 2012, 80% of contractors awarded 8 out of 10 or better. This is the fourth consecutive year of improvement and is a record high.

# Economic KPIs – All Construction

## Individual KPI Trends (cont.)

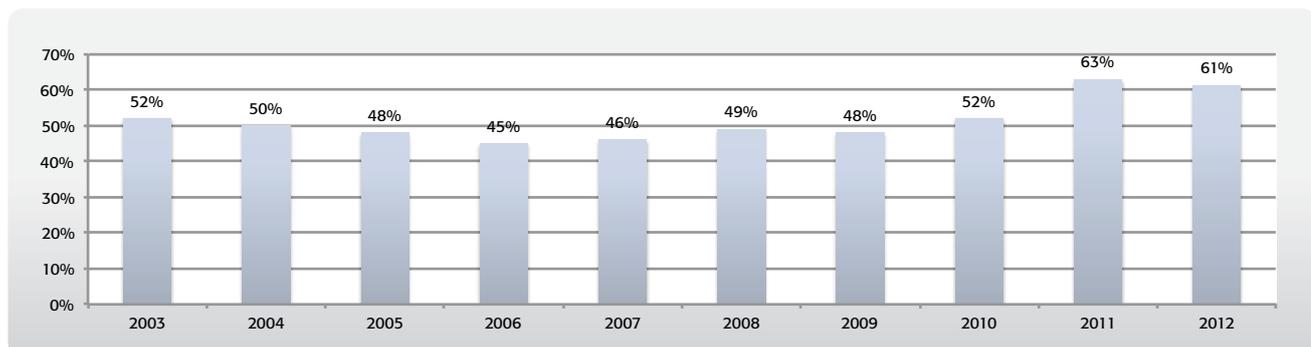
### Defects - Impact at Handover



The annual KPI surveys ask clients to rate the impact of defects in the project at the point of handover, on a scale from 1-10, where 10 represent zero defects.

In 2012, 74% of projects achieved 8 out of 10 or better. This effectively reverses the dip in rating seen in the 2011 survey.

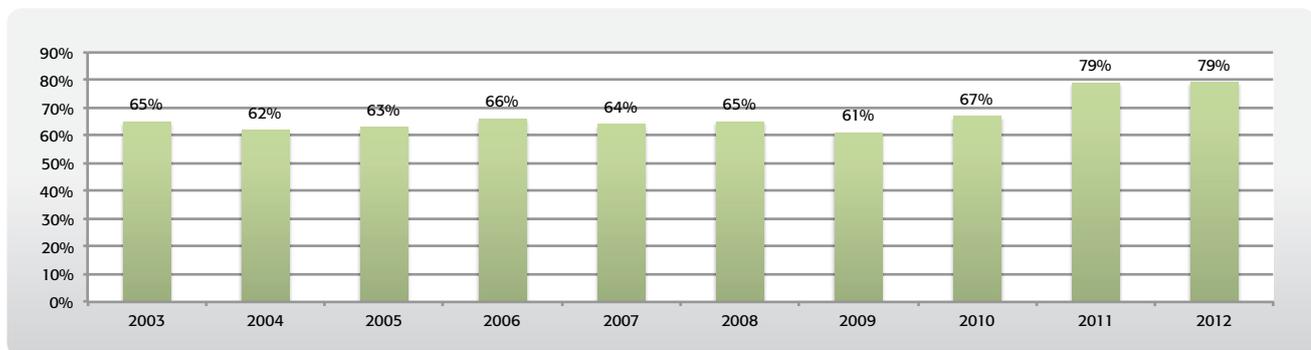
### Predictability Cost - Project



Since 2000 the annual KPI surveys have assessed the cost predictability of the whole project (i.e. the combined cost of design and construction).

The KPI was down slightly on the all time high of 63% seen in 2011, with 61% of projects were delivered on target or better.

### Predictability Cost - Design



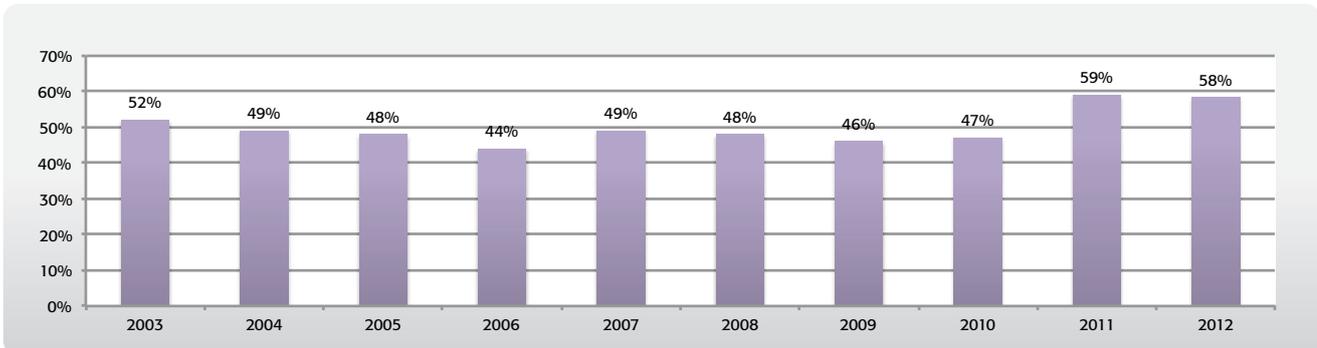
The annual KPI surveys ask for the actual out-turn cost of design compared with the figure agreed at the start of that phase.

The KPI remained at the all-time high reached in 2011, with 79% of projects delivered on target or better.

# Economic KPIs – All Construction

## Individual KPI Trends (cont.)

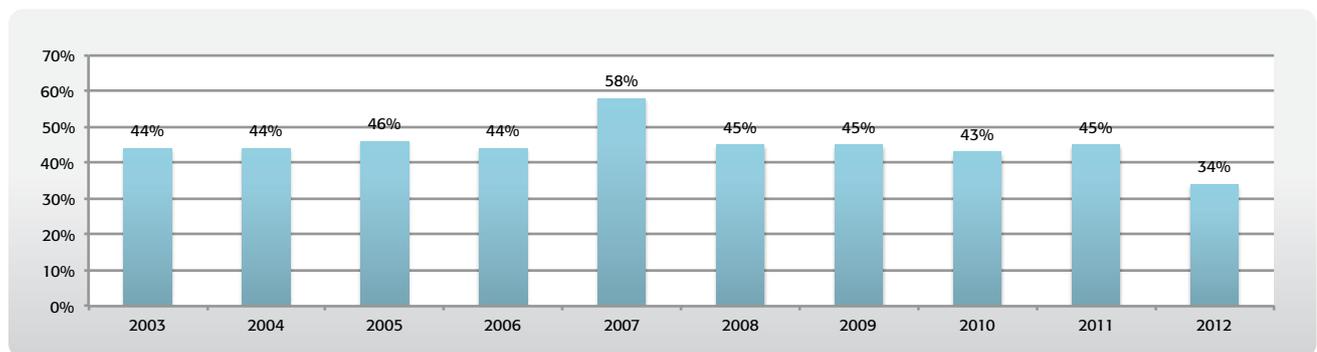
### Predictability Cost - Construction



The annual KPI surveys ask for the actual out-turn cost of construction compared with the figure agreed at the start of that phase.

Although down slightly on 2011, at 58% of projects delivered on target or better it is substantially above the level seen in previous years and is the only second time since 2003 that the KPI has been above 50%.

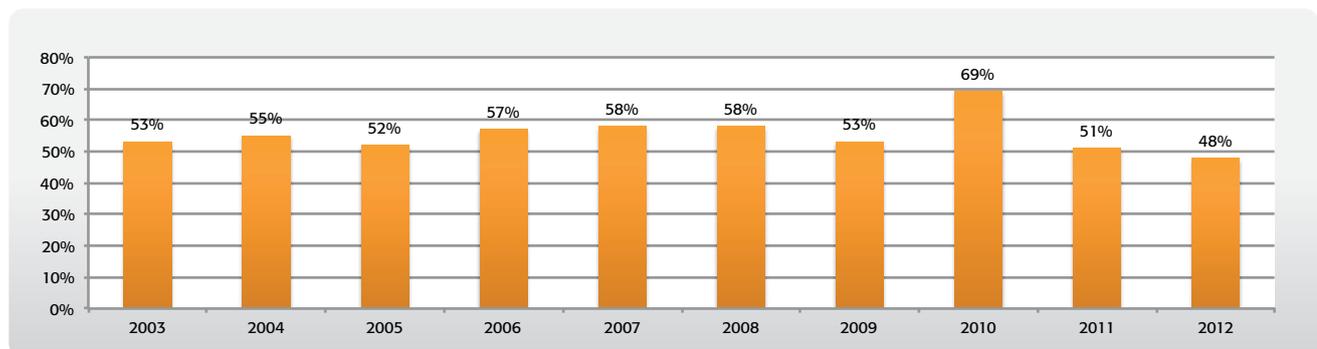
### Predictability Time - Project



Since 2000 the annual KPI surveys have assessed the time predictability of the whole project (i.e. the combined time for design and construction).

Having been relatively stable since 2008, the KPI deteriorated in 2012, with only 34% of projects delivered on target or better. This is the lowest level since 2000.

### Predictability Time - Design



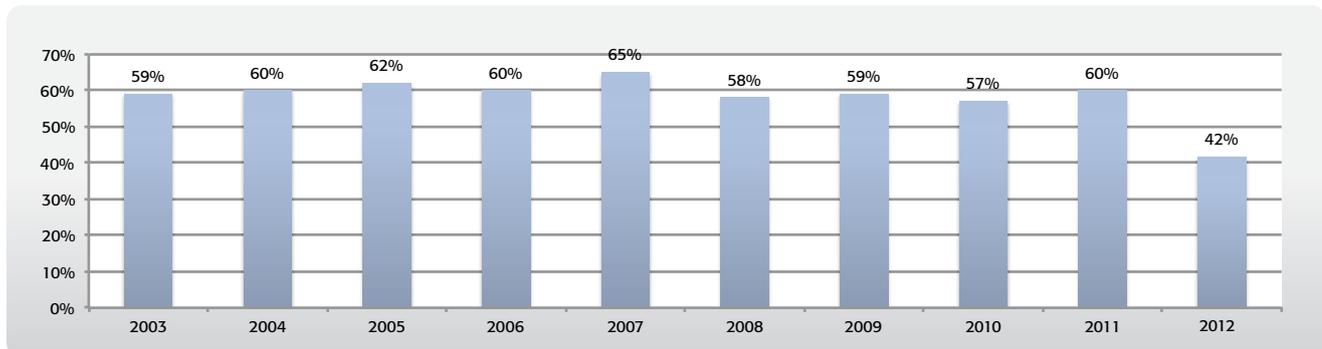
The annual KPI surveys ask for the actual out-turn time taken for the design phase compared with the length of time agreed at the start of that phase.

After the high water mark of 69% of projects delivered on target or better in 2010, the KPI has dropped sharply over the last two years to 48% in 2012, the lowest figure since 2002.

# Economic KPIs – All Construction

## Individual KPI Trends (Cont.)

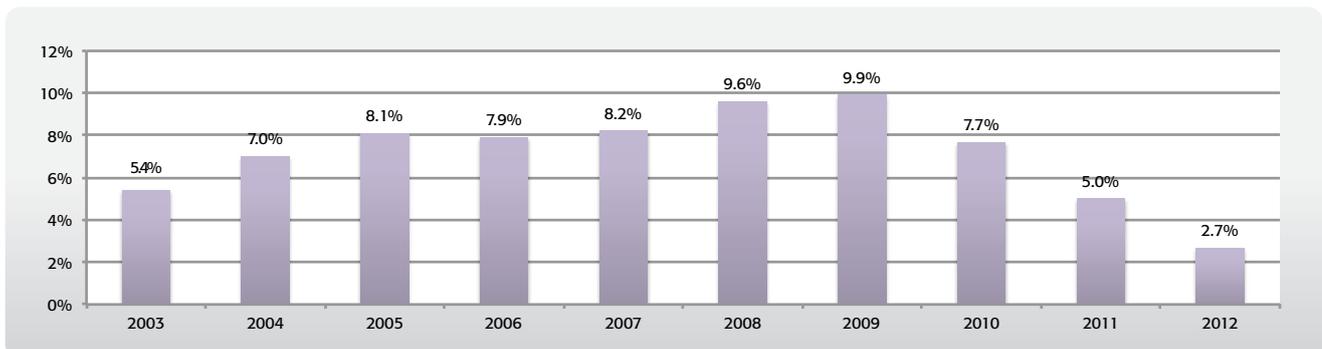
### Predictability Time - Construction



The annual KPI surveys ask for the actual out-turn time taken for the construction phase compared with the length of time agreed at the start of that phase.

The KPI dropped sharply in 2012, with only 42% of projects delivered on programme or better, compared with 60% in 2011. This is first time since in 13 years that the KPI has been below 50%.

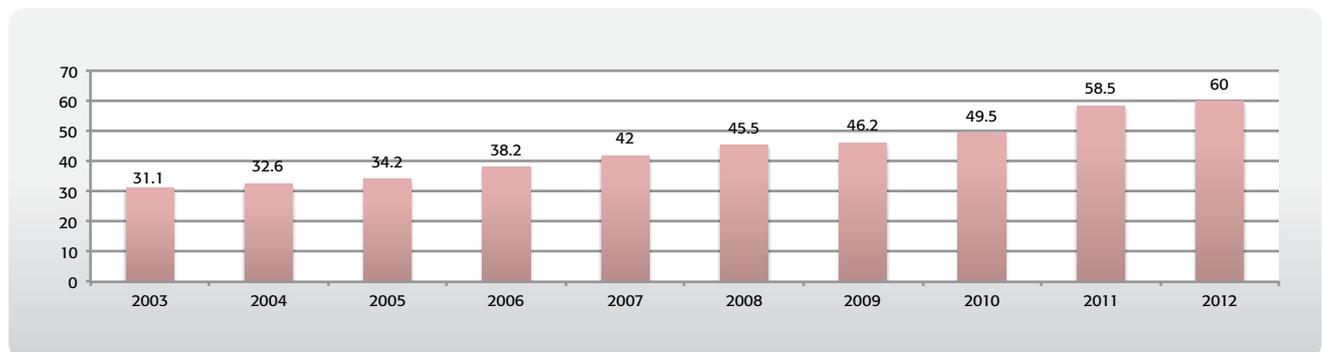
### Profitability - (ROS)



In previous years data on profit before interest and tax (PBIT) has been obtained from firms filing annual accounts with Companies House. A snapshot of this data taken each January relates to financial performance reported in the previous year. From 2012 the data has been collected directly from surveyed companies.

In 2012, the median profitability before tax and interest was 2.7%. This is the third consecutive decline and reflects the tough market and wider economic conditions.

### Productivity - (VAPH Current Values)



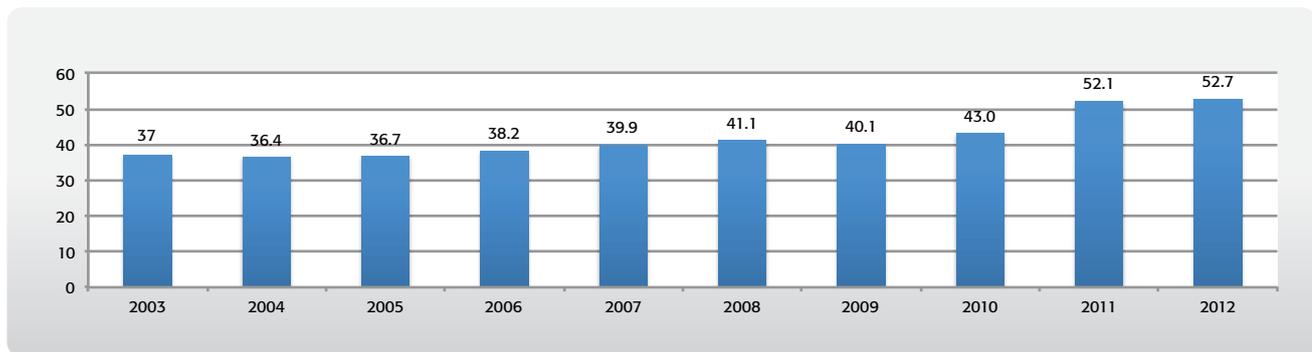
In previous years data on value added (gross turnover less all bought-in supplies) has been obtained from firms filing annual accounts with Companies House. A snapshot of this data taken each January relates to financial performance reported in the previous year. From 2012 the KPI has been calculated from data collected directly from surveyed companies.

The sharp rise in productivity recorded in 2011 has been maintained. In 2012, the median value added per employee was £60.0k a modest improvement on the £58.5k in 2011.

# Economic KPIs – All Construction

## Individual KPI Trends (cont.)

Productivity - (VAPH Constant 2005 Values)



The data for each year is adjusted back to the 2005 values to remove the effect of inflation.

In 2012, the median value added per employee (adjusted) was £52.7k a 1.1% rise in 2011.

# Respect for People KPIs – All Construction

## Year-on-Year Comparisons

KPI	Measure	Performance										Trend		
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Last Year	All Years	
Employee Satisfaction <sup>4</sup>	% scoring 8/10 or better	41%	41%	51%	55%	47%	46%	44%	44%	44%	44%	44%	↔	↑
Staff Turnover - All Companies	Median % staff turnover	7.7%	7.1%	6.7%	5.9%	5.0%	6.3%	4.2%	2.5%	3.3%	2.1%	↓	↓	
Sickness Absence - All Companies	Median number of days lost	1.8	1.7	1.5	1.4	1.7	1.7	1.7	1.7	1.0	1.7	↑	↓	
Safety – Industry <sup>2</sup>	Mean accident incidence rate	1143	1162	1080	760	742	682	702	615	579	536	↓	↓	
Safety - All Contractors & Subcontractors <sup>3</sup>	% achieving zero accident incidence rate	39%	42%	50%	51%	62%	60%	63%	65%	61%	65%	↑	↑	
Working Hours	Median usual hours worked per week	41	41	40	40	40	40	40	40	40	40	↔	↓	
Qualifications & Skills <sup>1</sup>	Median % of direct employees qualified to NVQ Level 2 or higher	-	30%	33%	40%	33%	25%	22%	21%	31%	66%	↑	↑	
Training	Median annual training days per full-time equivalent employee	0.8	0.8	1.0	1.0	0.9	1.0	1.1	1.2	0.6	1.5	↑	↑	
Investors in People	Mean % of direct employees covered by IIP commitment & recognition	17%	19%	15%	11%	11%	12%	18%	17%	18%	14%	↓	↓	
Staff Loss <sup>1</sup>	Median % direct employees who left employment	-	-	-	-	-	-	-	-	-	9.1%	n/a	n/a	
Construction Skills Certification Card <sup>1</sup>	Median % direct employees that hold a CSCS	-	-	-	-	-	-	-	-	-	56%	n/a	n/a	
Make-up of Staff - Women <sup>1</sup>	Median % women employed	-	-	-	-	-	-	-	-	-	15%	n/a	n/a	
Make-up of Staff - People from BME <sup>1</sup>	Median % people from black or minority ethnic backgrounds	-	-	-	-	-	-	-	-	-	0%	n/a	n/a	
Make-up of Staff - Aged under 24 <sup>1</sup>	Median % people employed aged under 24	-	-	-	-	-	-	-	-	-	8%	n/a	n/a	
Make-up of Staff - Aged over 55 <sup>1</sup>	Median % people employed aged over 55	-	-	-	-	-	-	-	-	-	11%	n/a	n/a	
Make-up of Staff - Disabled People <sup>1</sup>	Median % people employed who are disabled	-	-	-	-	-	-	-	-	-	0%	n/a	n/a	

1. Data not available before the first year shown.
2. Based on company annual accident incidence rate published by the Health & Safety Executive on its website at Table 1 "Injuries in GB by Industry and Severity of Injury as reported to all Enforcing Authorities" through 2007 and is from BIS Contractors survey from 2008.
3. Based on company annual accident incidence rates collected in the BIS Contractor Survey which is adjusted for under reporting.
4. Employee satisfaction represents 2 year rolling data.

# Respect for People KPIs – All Construction

## Year-on-Year Comparisons (cont.)



# Environment KPIs – All Construction

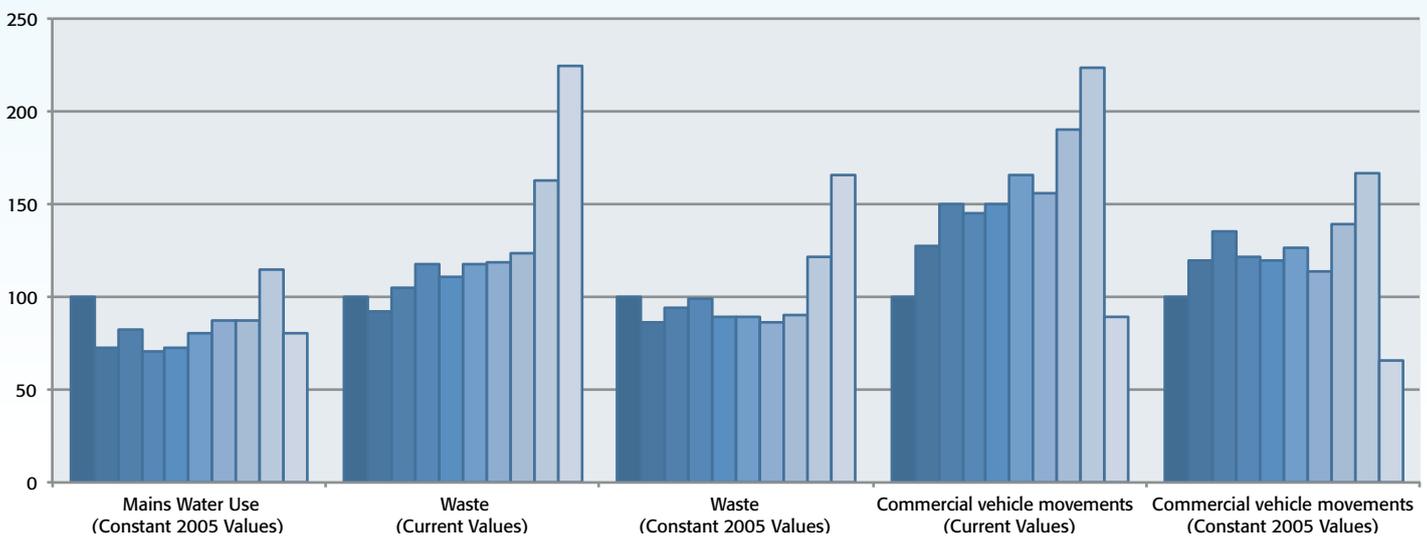
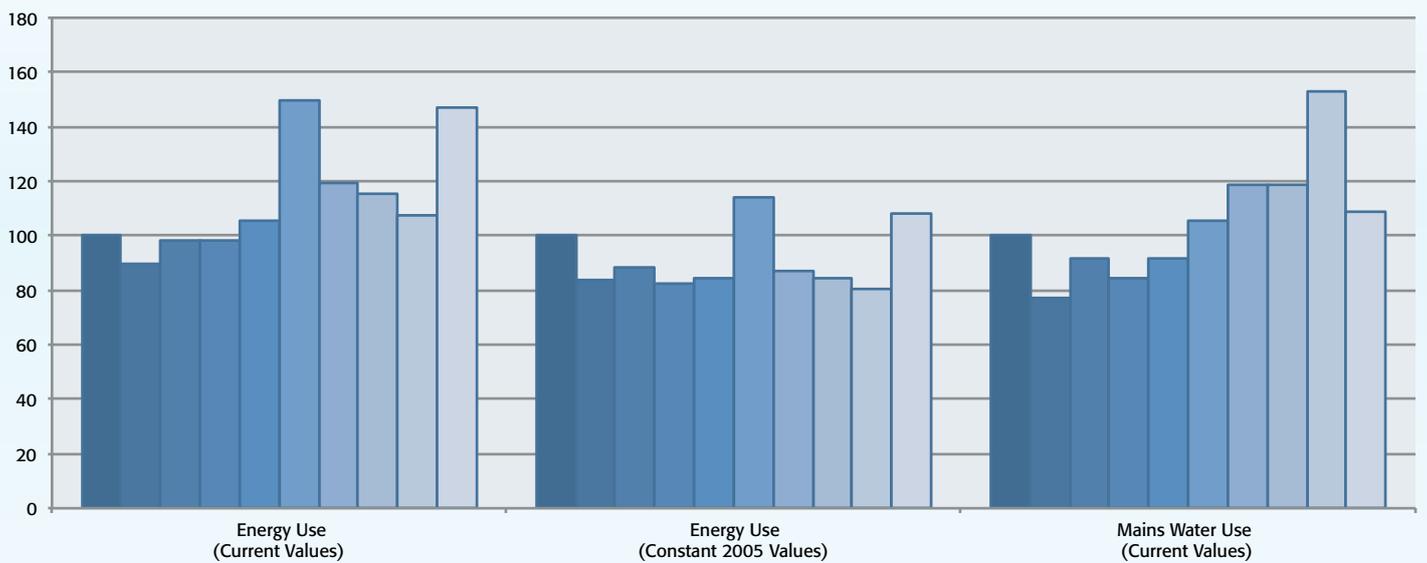
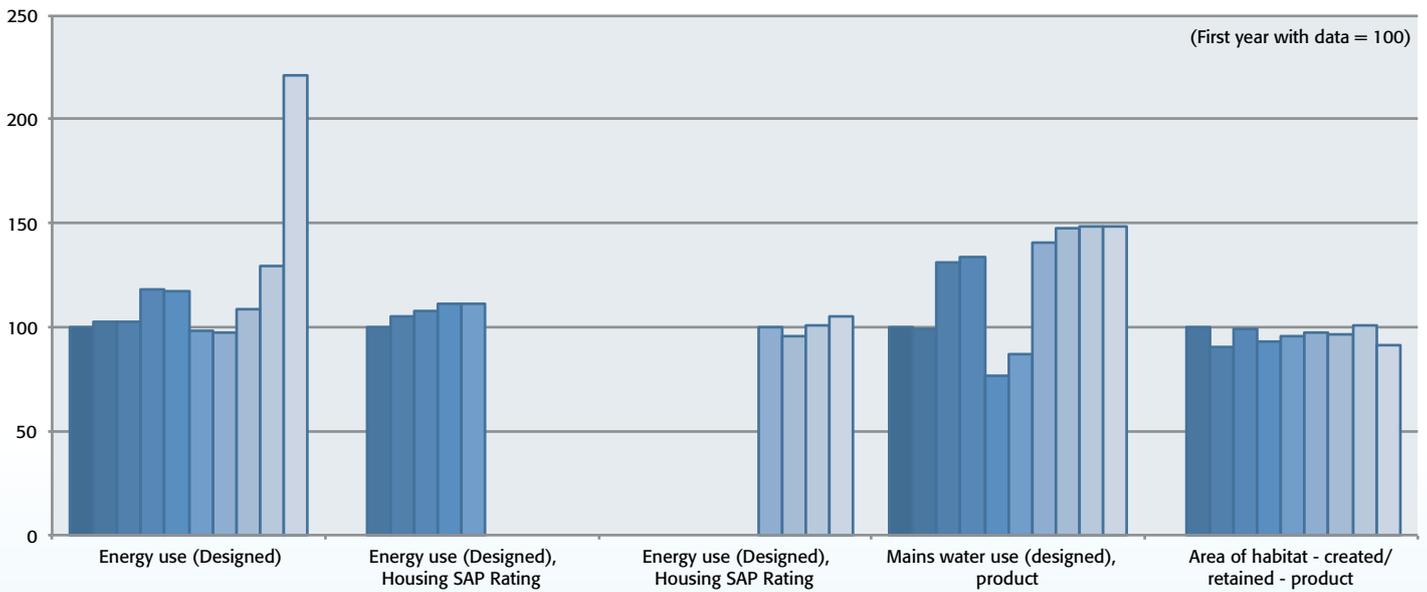
## Year-on-Year Comparisons

KPI	Measure	Performance										Trend		
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Last Year	All Years	
<b>Product Performance</b>														
Energy use (Designed)	Median energy use kg CO <sub>2</sub> / 100m <sup>2</sup> gross floor area	4,414	4,295	4,291	3,729	3,775	4,474	4,539	4,053	3,422	2,000	↓	↓	
Energy use (Designed) - Housing SAP Rating <sup>1</sup> <sub>2 3 4</sub>	Median SAP2001 rating	-	90	95	97	100	100					↓	↓	
Energy use (Designed) - Housing SAP Rating <sup>1</sup> <sub>3</sub>	Median SAP2005 rating	-	-	-	-	-	-	82.0	78.5	82.8	86.5	↑	↑	
Mains water use (designed) <sup>3</sup>	Median water use m <sup>3</sup> / 100m <sup>2</sup> gross floor area	69.6	70.4	53.2	52	90.4	80	49.5	47.2	46.8	46.8	→	↓	
Area of habitat - created/retained - product <sup>1</sup>	% reporting no change or an increase in area of habitat	-	84%	76%	83%	78%	80%	82%	81%	85%	77%	↓	↓	
<b>Construction Process Performance</b>														
Energy Use (Current Values)	Median energy use kg CO <sub>2</sub> / £100k project value	288	322	293	293	273	192	241	249	267	196	↓	↓	
Energy Use (Constant 2005 Values) <sup>5</sup>	Median energy use kg CO <sub>2</sub> / £100k project value	242	288	273	293	287	213	278	286	300	223	↓	↓	
Mains Water Use (Current Values)	Median water use m <sup>3</sup> / £100k project value	7.5	9.7	8.2	8.9	8.2	7.1	6.3	6.3	4.9	6.9	↑	↓	
Mains Water Use (Constant 2005 Values) <sup>5</sup>		6.3	8.7	7.7	8.9	8.6	7.9	7.3	7.2	5.5	7.9	↑	↑	
Waste (Current Values)	Median waste removed from site m <sup>3</sup> / £100k project value	43.5	47.1	41.6	37.0	39.1	36.9	36.6	35.1	26.7	19.4	↓	↓	
Waste (Constant 2005 Values) <sup>5</sup>		36.6	42.2	38.8	37.0	41.2	40.8	42.2	40.4	30.0	22.1	↓	↓	
Commercial vehicle movements (Current Values)	Median movements onto site / £100k project value	44.0	34.5	29.4	30.4	29.4	26.5	28.3	23.1	19.7	49.5	↓	↓	
Commercial vehicle movements (Constant 2005 Values) <sup>5</sup>	Median movements onto site / £100k project value	37.0	30.9	27.4	30.4	31.0	29.3	32.6	26.6	22.2	56.4	↓	↓	

1. Data not available before the first year shown.
2. Data not available after 2008.
3. Limited data use with caution.
4. Insufficient data to publish a result in 2008. The 2007 result used for 2008.
5. Current values are deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values.

# Environment KPIs – All Construction

## Year-on-Year Comparisons (cont.)



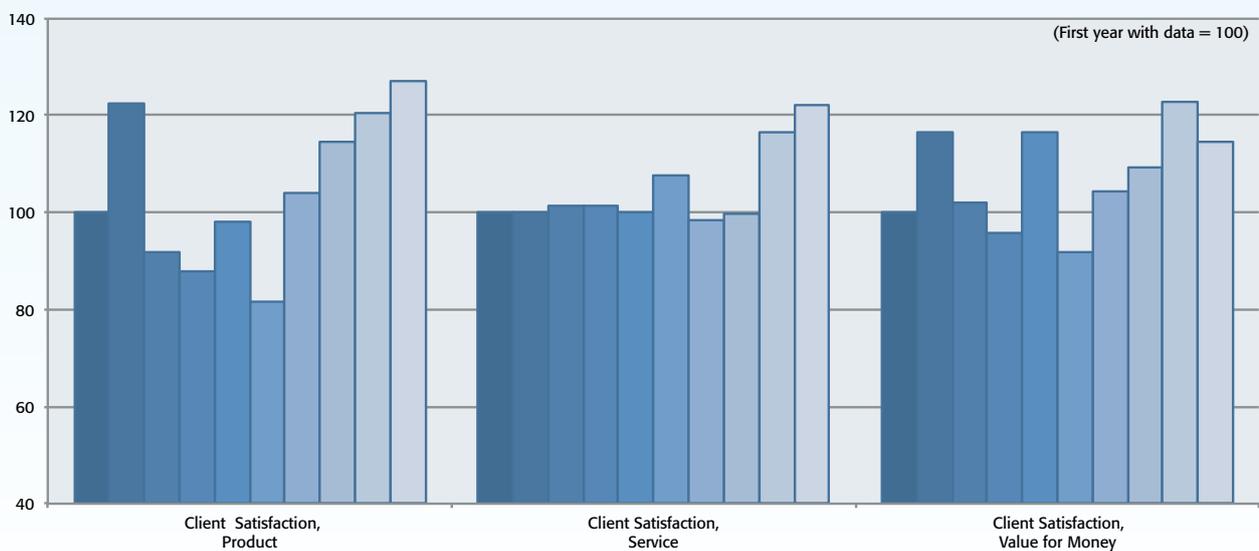
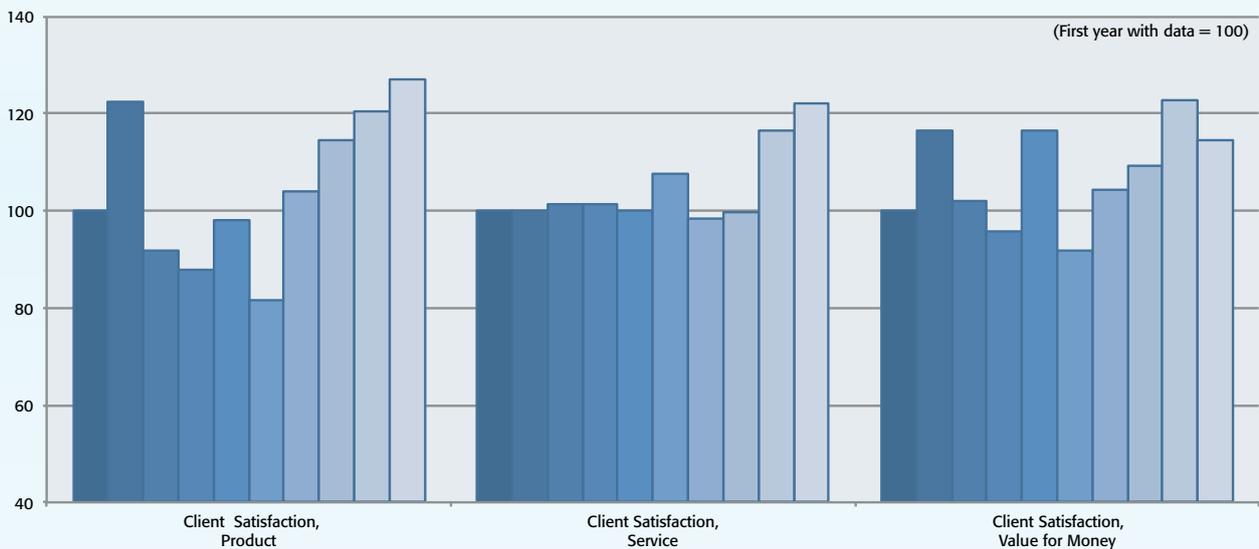
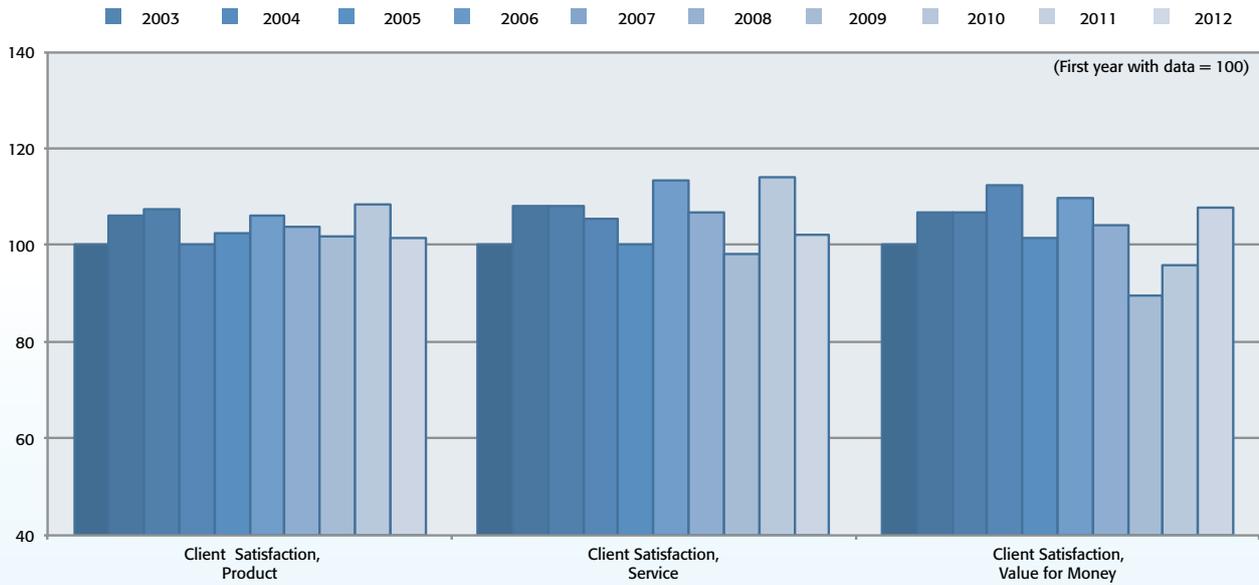
# Economic KPIs - All Housing

## Year-on-Year Comparisons

KPI	Measure	Performance										Trend	
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Last Year	All Years
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	81%	86%	87%	81%	83%	86%	84%	82%	88%	82%	↓	↑
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	74%	80%	80%	78%	74%	84%	79%	73%	84%	76%	↓	↑
<b>Defects - Impact at Handover</b>	% scoring 8/10 or better	73%	78%	78%	82%	74%	80%	76%	65%	70%	79%	↑	↑
<b>Predictability Cost - Project</b>	% on cost or better	49%	60%	45%	43%	48%	40%	51%	56%	59%	62%	↑	↑
<b>Predictability Cost - Design</b>	% on cost or better	66%	66%	67%	67%	66%	71%	65%	66%	77%	81%	↑	↑
<b>Predictability Cost - Construction</b>	% on cost or better	48%	56%	49%	46%	56%	44%	50%	53%	59%	55%	↓	↑
<b>Predictability Time - Project</b>	% on time or better	46%	49%	44%	42%	46%	43%	40%	36%	37%	25%	↓	↓
<b>Predictability Time - Design</b>	% on time or better	51%	55%	51%	53%	58%	56%	55%	69%	55%	44%	↓	↓
<b>Predictability Time - Construction</b>	% on time or better	62%	62%	56%	57%	59%	54%	48%	54%	60%	30%	↓	↓

# Economic KPIs - All Housing

## Year-on-Year Comparisons (cont.)

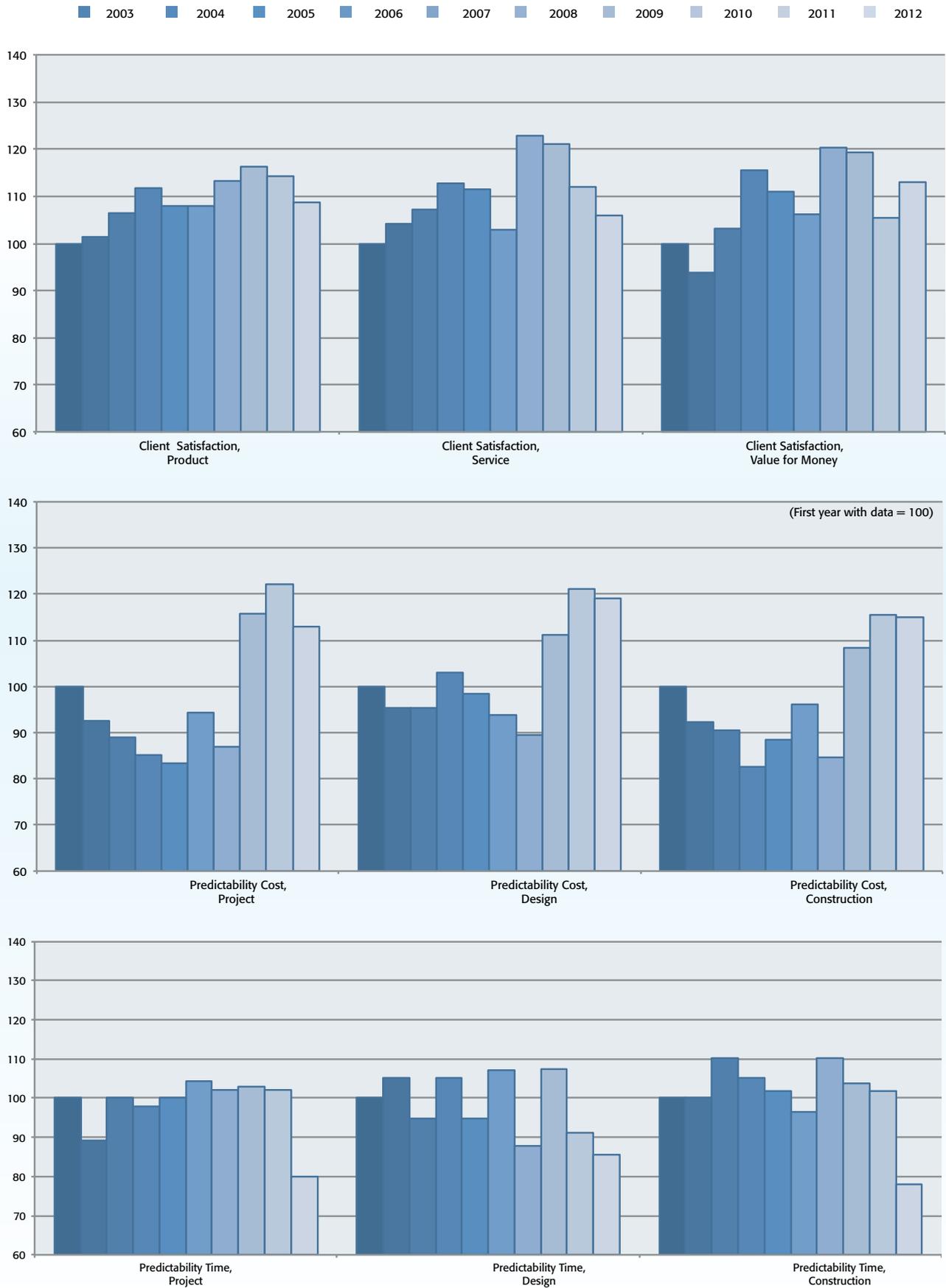


# Economic KPIs - All Non-Housing

## Year-on-Year Comparisons

KPI	Measure	Performance										Trend	
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Last Year	All Years
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	76%	77%	81%	85%	82%	82%	86%	88%	87%	83%	↓	↑
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	70%	73%	75%	79%	78%	72%	86%	85%	78%	74%	↓	↑
<b>Defects - Impact at Handover</b>	% scoring 8/10 or better	64%	60%	66%	74%	71%	68%	77%	76%	67%	72%	↑	↑
<b>Predictability Cost - Project</b>	% on cost or better	54%	50%	48%	46%	45%	51%	47%	63%	66%	61%	↓	↑
<b>Predictability Cost - Design</b>	% on cost or better	66%	63%	63%	68%	65%	62%	59%	73%	80%	79%	↓	↑
<b>Predictability Cost - Construction</b>	% on cost or better	52%	48%	47%	43%	46%	50%	44%	56%	60%	60%	→	↑
<b>Predictability Time - Project</b>	% on time or better	46%	41%	46%	45%	46%	48%	47%	47%	47%	37%	↓	↓
<b>Predictability Time - Design</b>	% on time or better	57%	60%	54%	60%	54%	61%	50%	61%	52%	49%	↓	↓
<b>Predictability Time - Construction</b>	% on time or better	59%	59%	65%	62%	60%	57%	65%	61%	60%	46%	↓	↓

# Economic KPIs - All Non-Housing Year-on-Year Comparisons (cont.)



# Construction Consultant KPIs

## Year-on-Year Comparisons

KPI	Measure	Performance										Trend	
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Last Year	All Years
<b>Client Satisfaction-Overall</b>	% scoring 8/10 or better	42%	48%	51%	50%	52%	54%	55%	76%	74%	75%	↑	↑
<b>Client Satisfaction-Value for Money</b>	% scoring 8/10 or better	37%	45%	41%	49%	47%	46%	46%	74%	74%	73%	→	↑
<b>Client Satisfaction-Quality of Service</b>	% scoring 8/10 or better	43%	45%	43%	47%	49%	49%	49%	79%	76%	73%	↓	↑
<b>Client Satisfaction-Timely Delivery</b>	% scoring 8/10 or better	38%	42%	36%	38%	44%	45%	45%	72%	72%	75%	↑	↑



# About Constructing Excellence

## Constructing Excellence provides a range of services to help implement KPIs:

### KPIzone and the KPI Engine

KPIzone and the KPI Engine are now integrated products providing companies within the construction sector the right product for their KPI reporting and benchmarking. The KPI Engine offers a sophisticated method of monitoring and benchmarking company and project performance data. It contains a wide range of reporting options and the opportunity to customise a performance measurement system to enable data sharing with clients, supply chains and for monitoring framework agreements.

Use of the KPI Engine provides tangible evidence that your company is at the forefront of project delivery and performance improvement.

KPIzone offers continual access to benchmark performance against over 580 KPIs. It also contains definitions, methods of measurement and calculations for any of the Constructing Excellence KPIs and SPIs.

Results can be viewed online at any time.

For more details on any of these please visit [www.kpizone.com](http://www.kpizone.com).

### Website

An extensive database of best practice activities, information and resources is available at [www.constructingexcellence.org.uk](http://www.constructingexcellence.org.uk). At Constructing Excellence we bring distinctive value to our customers' businesses through six core activities:

### Action Research and Innovation:

- Members shape and take part in Constructing Excellence's research programme, from major action research projects to working groups and confidential learning clubs.
- Involvement in up to ten Task Groups on strategic issues for the sector.

### KPIs and Benchmarking:

Constructing Excellence has led the way in industry performance measurement, with diagnostic tools central to its activities.

### Members receive:

- Complimentary KPIzone subscription

### Guidance and Training:

Constructing Excellence is able to offer members consultancy tailored to their business requirements.

This service includes free or discounted access to Constructing Excellence publications, and discounts on facilitation and mentoring services and conferences.

### Networks:

Existing members see real benefits in these networks, meeting with other like minded individuals and companies, building relationships, sharing best practice and developing business contacts.

### Demonstrations:

One of the key benefits of membership is being able to demonstrate participation to key stakeholders such as customers, employees, suppliers and investors.

Constructing Excellence provides members:

- Opportunities to showcase projects
- Opportunities to share and learn from members' exemplars

### Leadership and Influence:

Constructing Excellence works closely with government, strategic partners and the industry, and influences organisations to shape the future of the sector. Members have the chance to take an active role in influencing Government priorities and to have input into the formation of future policy at regular forums and conferences.

# About Glenigan



**Glenigan are the market-leader in providing construction contract leads and strategic industry analysis. They currently invest £3.1 million and make over a million research telephone calls per year to provide details on every construction project in the UK. This enables them to provide the most up-to-date and comprehensive construction sales leads and analysis, to help companies win new business.**

- Glenigan provides subscribers with a constant supply of new business leads, helping firms to quickly find the right projects to target.
- Glenigan identifies the right contacts, providing the names, email addresses and phone numbers of decision makers.
- Glenigan has comprehensive construction market data, analysis, forecasts and league tables.

Their partnerships with key industry associations such as the Builders' Conference and the Building Research Establishment (BRE), enable them to offer project data that's not available elsewhere in the market.

"It wasn't long before we could see the difference Glenigan was making. New leads, new projects, new business." Hill Piling

Also, with their award winning mobile app, Glenigan provide the only tool available that lets their customers search for projects based on their location on the ground.

To find out more about how Glenigan's industry intelligence can support your business, visit **[www.glenigan.com](http://www.glenigan.com)** or call **0800 373 771**.





**CONSTRUCTING  
EXCELLENCE**  
in the built environment

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