



# UK Industry Performance Report

Based on the UK Construction  
Industry Key Performance Indicators

# 2008

Headline Sponsor:



**CONSTRUCTING  
EXCELLENCE**  
in the built environment

In Partnership with

**BERR** | Department of Business  
Enterprise & Regulatory Reform

# The KPI Project Management Group:

The data used to compile the UK Construction Industry KPIs is collected under the guidance of the KPI Project Management Group chaired by the Department for Business Enterprise and Regulatory Reform. In 2008, the members of the Group were:



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# Executive Summary

This is the tenth year of publication of the Construction Industry KPIs, based on data from thousands of projects collated from government and industry surveys. These enable individual firms to benchmark their performance with other firms, and they also enable us to measure improvement across the industry through this annual Industry Performance Report.

The report contains trend data for economic performance, people performance and environmental performance, as well as for housing, consultants, M&E contractors and construction products, and Constructing Excellence demonstration projects are also included.

Over the past ten years, the long term trends have been generally positive. Three-quarters of the KPIs have shown improvement. However, it seems that the rate of improvement has slowed in recent years.

## Economic indicators

Over ten years, 7 out of 10 of the headline UK Construction Industry KPIs have shown improvement, three are level, and none have worsened. This year, seven are better, two are level, and one (Time predictability) has worsened. Safety has improved to a new record level, there have been small improvements again in the levels of client satisfaction, and productivity and profitability have risen. Time and cost predictability remain largely unchanged, showing that the underlying causes of variability are still entrenched in the industry.

## Environmental indicators

There has been an improvement in environmental performance, particularly at project level. Client perception of how much care is being taken for the environment during the construction phase moved ahead this year, energy and water use during construction improved, as did the volume of waste transported off-site.

## People indicators

Respect for People KPI data has been collected and analysed for seven years. The first four years showed steady improvement in most areas, but the picture has been mixed since then. This year, two of the headline KPIs showed improvement, three were static, and three worsened.

Employee satisfaction declined slightly this year, and employee turnover rose for the first time in six years (from 5.0% last year to 6.3% this year). Pay levels continued to move upwards, but training remains low at a median of 1.0 day per employee per year.

## Housing

Client satisfaction improved this year, with client satisfaction with the product up to 86% from 83% last year. Client Satisfaction - service also improved from 74% to 84% and defects scores improved from 74% to

80%. The trends over the six years that data is available are generally gently upwards. Cost and time predictability worsened slightly, although profitability improved from 7.1% last year to 8.8% this year. Productivity drifted down fractionally (£53.3k value added per employee in 2008, compared with £54.0k in 2007), and the inflation adjusted figure declined slightly too (£42.1k this year compared with £44.6k last year).

## Consultants

Client satisfaction improved in 3 out of 5 categories (overall, timely delivery and health and safety awareness). Quality of service remained unchanged, and the value for money ratings fell for the second year in succession. Training days per employee was reported at 1.5 days per employee (last year 1.2 days per year), and there were increases in profitability (from 10.7% to 13.3%) and productivity rose from £40,900 per employee last year to £46,100.

## M&E Contractors

Trends this year were encouraging, with nine KPIs showing improvement, two level and three showing worsening performance. For the fourth year in a row, M&E Contractors' safety performance showed an improvement, with 50% of all companies achieving zero reportable accidents (48% in 2007), and 24% of larger (60+ employees) companies (23% in 2007) achieving zero accidents too. Over the past 8 years, client satisfaction has risen steadily, although this year there were small declines in satisfaction with design and value for money. Defects performance improved slightly from 66% to 68%. Cost predictability remained static, while time predictability showed a small improvement (from 53% to 54% of projects delivered on time or better). Median profitability increased to 4.1% (up from 3.9% last year), and productivity also improved from £55.0k value-added per employee to £55.7k.

## Construction Products

Employee satisfaction results were generally up, while there was a downturn in customer satisfaction. The people management KPIs showed significant improvement in four out of five areas (safety, sickness absence, training, and equality and diversity). Reported customer satisfaction was generally down by around 10% compared with last year.

## Demonstrations

Projects in our Demonstrations Programme continued to exceed the performance of the general industry, as they have since their inception. The industry continues to close the gap on customer satisfaction, but the gap is much greater for productivity, safety and qualifications and skills. Demonstration projects are more predictable, with cost predictability for construction hitting 78% compared to 48% for the industry as a whole. Time predictability shows a similar performance gap, with demonstration projects recording 89% against the industry's 58%. Demonstration sites continue to be safer places to work, with a mean accident incidence rate of 330 compared to the industry figure of 865.

## Don Ward

Chief Executive, Constructing Excellence  
June 2008

# Economic KPIs – All Construction

## Year-on-Year Comparisons

KPI	Measure	Performance										Trend	
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Last Year	All Years
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	<b>72%</b>	<b>73%</b>	<b>72%</b>	<b>73%</b>	<b>78%</b>	<b>80%</b>	<b>83%</b>	<b>84%</b>	<b>82%</b>	<b>83%</b>	↑	↑
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	<b>58%</b>	<b>63%</b>	<b>63%</b>	<b>65%</b>	<b>71%</b>	<b>74%</b>	<b>77%</b>	<b>79%</b>	<b>75%</b>	<b>77%</b>	↑	↑
<b>Client Satisfaction - Value for Money <sup>1</sup></b>	% scoring 8/10 or better	-	-	<b>67%</b>	<b>69%</b>	<b>73%</b>	<b>74%</b>	<b>79%</b>	<b>80%</b>	<b>75%</b>	<b>75%</b>	→←	↑
<b>Contractor Satisfaction - Performance - Overall <sup>1</sup></b>	% scoring 8/10 or better	-	-	-	-	<b>64%</b>	<b>65%</b>	<b>63%</b>	<b>62%</b>	<b>62%</b>	<b>62%</b>	→←	→←
<b>Contractor Satisfaction - Provision of Information - Overall <sup>1</sup></b>	% scoring 8/10 or better	-	-	-	-	<b>57%</b>	<b>59%</b>	<b>58%</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>	→←	→←
<b>Contractor Satisfaction - Payment - Overall <sup>1</sup></b>	% scoring 8/10 or better	-	-	-	-	<b>67%</b>	<b>66%</b>	<b>65%</b>	<b>65%</b>	<b>63%</b>	<b>63%</b>	→←	↓
<b>Defects - Impact at Handover <sup>1</sup></b>	% scoring 8/10 or better	-	<b>65%</b>	<b>53%</b>	<b>58%</b>	<b>68%</b>	<b>68%</b>	<b>72%</b>	<b>77%</b>	<b>73%</b>	<b>73%</b>	→←	↑
<b>Predictability Cost - Project <sup>1</sup></b>	% on cost or better	-	<b>50%</b>	<b>46%</b>	<b>48%</b>	<b>52%</b>	<b>50%</b>	<b>48%</b>	<b>45%</b>	<b>46%</b>	<b>49%</b>	↑↑	→←
<b>Predictability Cost - Design</b>	% on cost or better	<b>65%</b>	<b>64%</b>	<b>63%</b>	<b>63%</b>	<b>65%</b>	<b>62%</b>	<b>63%</b>	<b>66%</b>	<b>64%</b>	<b>65%</b>	↑	→←
<b>Predictability Cost - Construction</b>	% on cost or better	<b>37%</b>	<b>45%</b>	<b>48%</b>	<b>50%</b>	<b>52%</b>	<b>49%</b>	<b>48%</b>	<b>44%</b>	<b>49%</b>	<b>48%</b>	↓	↑
<b>Predictability Time - Project <sup>1</sup></b>	% on time or better	-	<b>28%</b>	<b>36%</b>	<b>42%</b>	<b>44%</b>	<b>44%</b>	<b>46%</b>	<b>44%</b>	<b>58%</b>	<b>45%</b>	↓↓	↑↑
<b>Predictability Time - Design</b>	% on time or better	<b>27%</b>	<b>37%</b>	<b>41%</b>	<b>46%</b>	<b>53%</b>	<b>55%</b>	<b>52%</b>	<b>57%</b>	<b>58%</b>	<b>58%</b>	→←	↑↑
<b>Predictability Time - Construction</b>	% on time or better	<b>34%</b>	<b>62%</b>	<b>59%</b>	<b>61%</b>	<b>59%</b>	<b>60%</b>	<b>62%</b>	<b>60%</b>	<b>65%</b>	<b>58%</b>	↓↓	↑↑
<b>Construction Cost</b>	% change compared with one year ago	<b>-3.0%</b>	<b>-2.0%</b>	<b>3.0%</b>	<b>2.0%</b>	<b>5.0%</b>	<b>1.1%</b>	<b>-0.8%</b>	<b>-0.8%</b>	<b>-3.8%</b>	<b>-1.7%</b>	↑	→←
<b>Construction Time <sup>1</sup></b>	% change compared with one year ago	-	<b>3.0%</b>	<b>1.0%</b>	<b>4.0%</b>	<b>1.0%</b>	<b>-1.7%</b>	<b>1.3%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.5%</b>	→←	→←

KPI	Measure	Performance										Trend	
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Last Year	All Years
<b>Profitability</b> <sup>2</sup>	Median % profit before interest & tax	-	4.4%	5.1%	5.2%	5.4%	7.0%	8.1%	7.9%	8.2%	9.6%	↑↑	↑↑
<b>Productivity (VAPH Current Values)</b> <sup>2</sup>	Median value added/ FTE employee (£000)	-	27.0	28.0	28.0	31.1	32.6	34.2	38.2	42.0	45.5	↑↑	↑↑
<b>Productivity (VAPH Constant 2000 Values)</b> <sup>2 3</sup>	Median value added/ FTE employee (£000)	-	27.0	26.8	26.0	27.9	28.2	27.5	29.3	31.2	32.3	↑	↑
<b>Gross Productivity (TOPH)</b> <sup>2</sup>	Median turnover/ FTE employee (£000)	-	59.0	58.0	51.0	54.0	58.3	59.7	58.9	57.5	54.4	↓↓	→←
<b>Return on Value Added (ROVA)</b> <sup>2</sup>	Median % PBIT/ value added	-	18.9%	20.2%	21.1%	16.8%	18.3%	15.8%	20.5%	21.4%	22.4%	↑	↑
<b>Return on Capital Employed (ROCE)</b> <sup>2</sup>	Median % PBIT/ capital employed	-	17.9%	24.8%	21.6%	28.9%	34.3%	41.3%	36.2%	37.6%	39.8%	↑↑	↑↑
<b>Safety - Industry</b> <sup>4</sup>	Accident incidence rate	1354	1271	1318	1217	1097	1172	1023	901	946	865	↑↑	↑↑
<b>Safety - Contractors - All Companies</b> <sup>5</sup>	% achieving zero accident incidence rate	-	-	-	31%	39%	42%	50%	51%	62%	60%	↓	↑↑

1 Data not available before the first year shown.

2 The measure for this KPI was changed in 2000, 1999 data therefore 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 to past years and, where applicable, their results were revised.

3 Current values are deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values .

4 This KPI is 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".

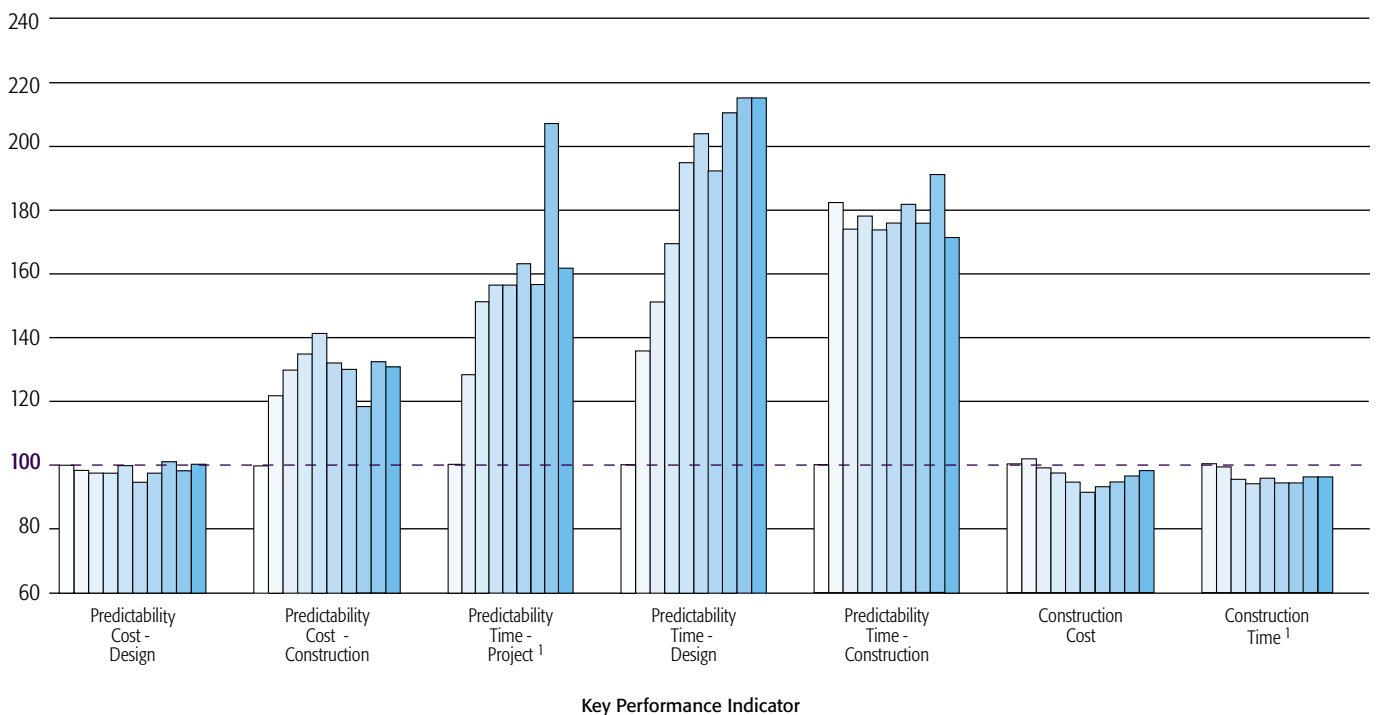
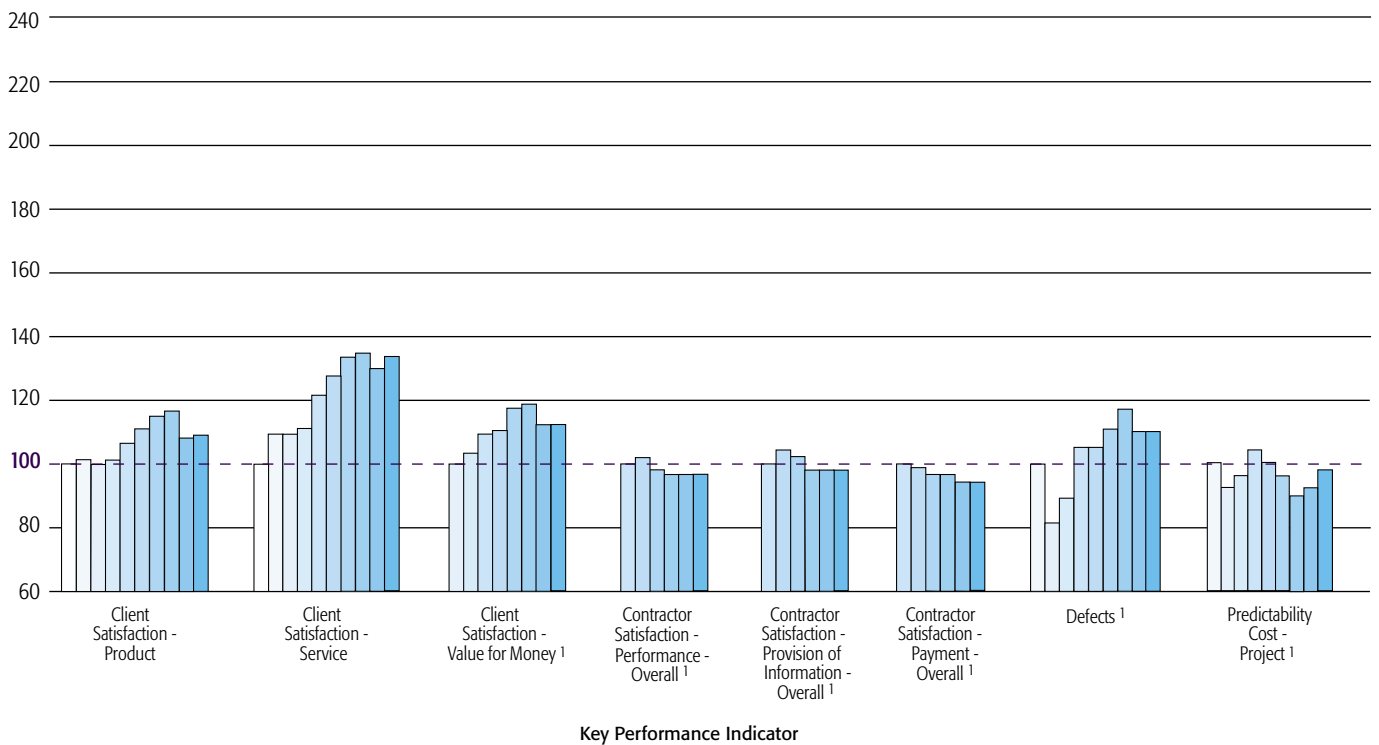
5 Data for this KPI was not available before 2002. This KPI is based on company annual accident incidence rates collected in the BERR Contractor Survey adjusted for under reporting.

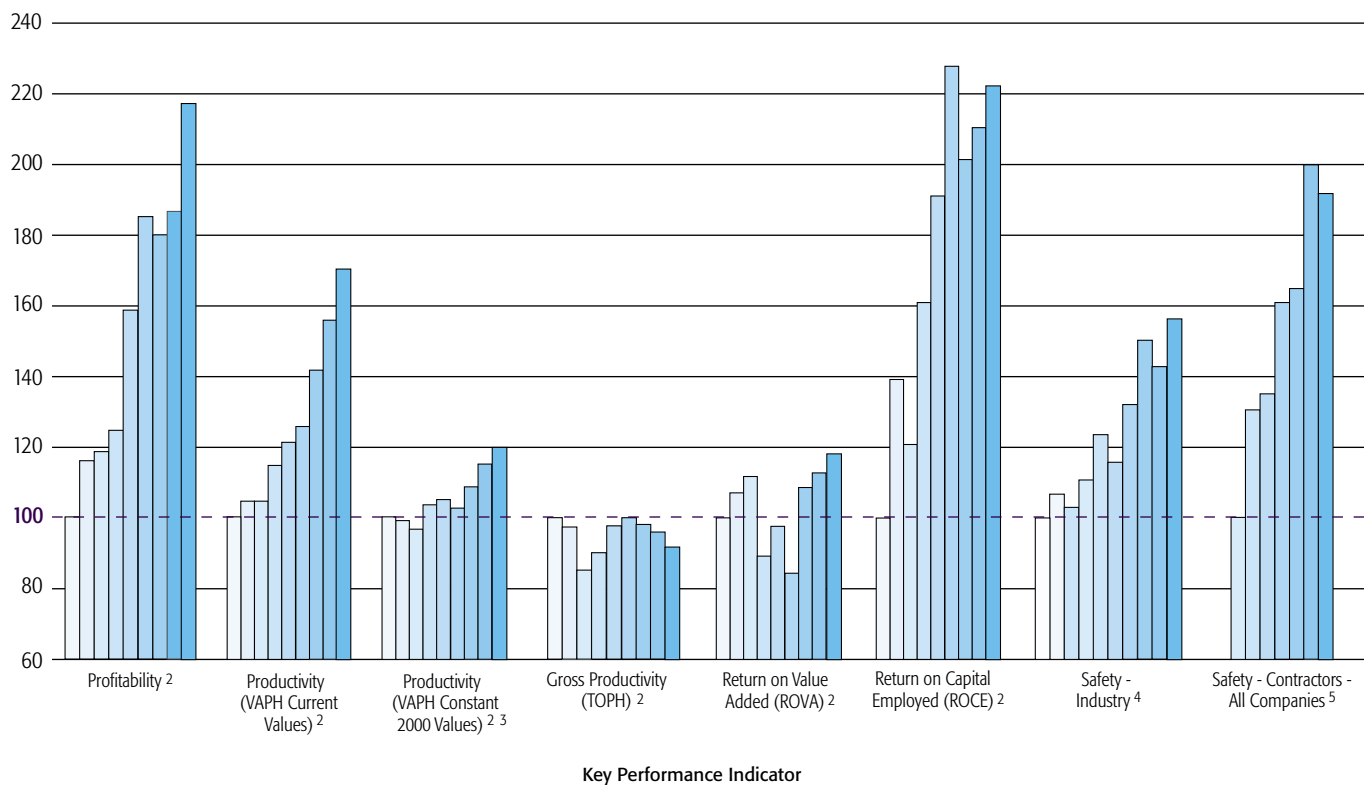
# Economic KPIs – All Construction

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

1999
  2000
  2001
  2002
  2003
  2004
  2005
  2006
  2007
  2008

(First year with data = 100)





1 Data not available before the first year shown.

2 The measure for this KPI was changed in 2000, 1999 data therefore 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 to past years and, where applicable, their results were revised.

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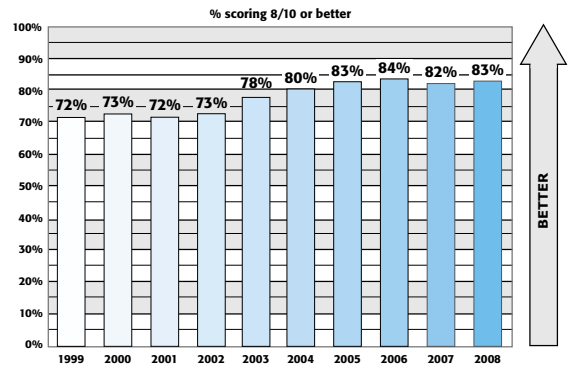
# Economic KPIs – All Construction

## 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.

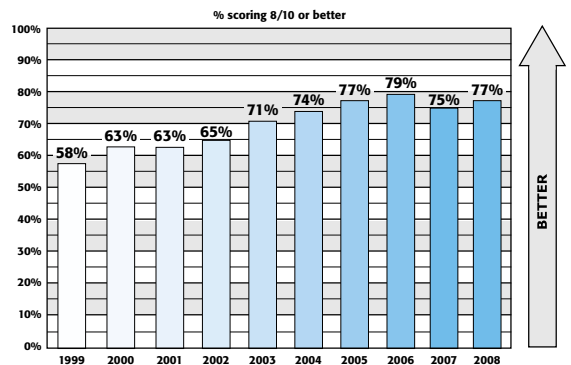
In 2008, 83% of projects were awarded 8 out of 10 or better compared with 82% in 2007. There has been a significant improvement over ten years, although performance has levelled off over the most recent four years.



### 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.

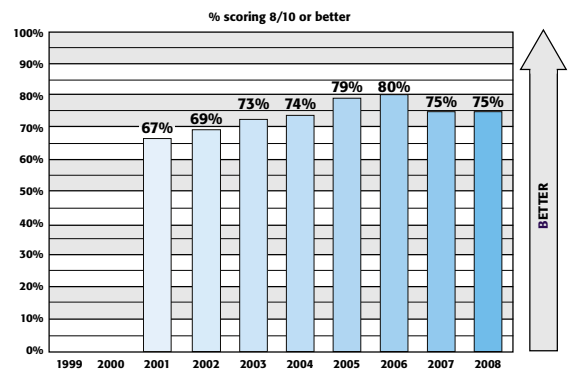
In 2008, 77% of projects were awarded 8 out of 10 or better compared with 75% in 2007. There has been a significant improvement over ten years, although performance has levelled off over the most recent four years.



### 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 2008, 75% of projects achieved 8 out of 10 or better compared with 75% in 2007. In 2008, 75% of projects achieved 8 out of 10 or better, the same as last year. The steady improvement seen in the first few years appears to have levelled off.



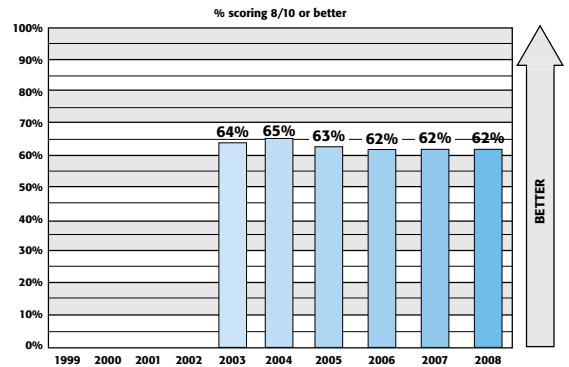
Data not available before the first year shown.



## 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.

In 2008, 62% of contractors awarded 8 out of 10 or better. This is unchanged since last year and almost unchanged over six years.

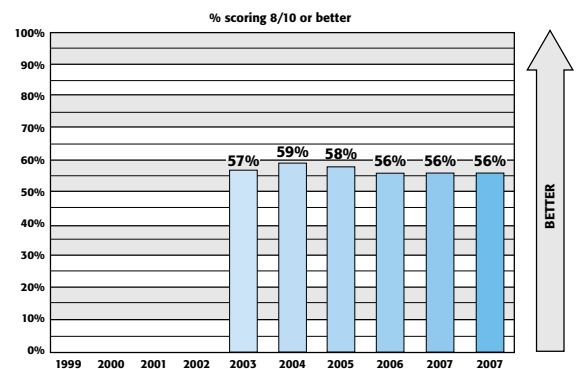


Data not available before the first year shown.

## 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.

In 2008, 56% of contractors awarded 8 out of 10 or better. This is unchanged since last year and almost unchanged over six years.

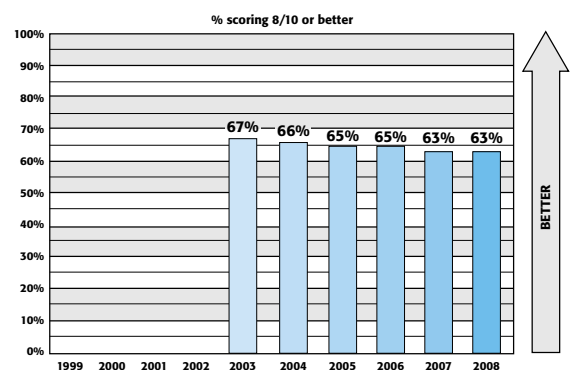


Data not available before the first year shown.

## 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 2008, 63% of contractors awarded 8 out of 10 or better. This is unchanged this year, and there has been a slight decline over six years.



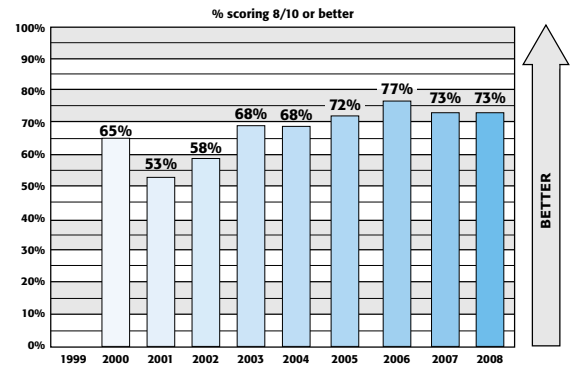
Data not available before the first year shown.

## 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 represents zero defects.

In 2008, 73% of projects achieved 8 out of 10 or better, the same as last year. There has been a significant improvement over ten years, although performance has levelled off over the most recent four years.

The proportion of clients scoring 10 out of 10 in 2008 was 12.5%, slightly worse than last year.

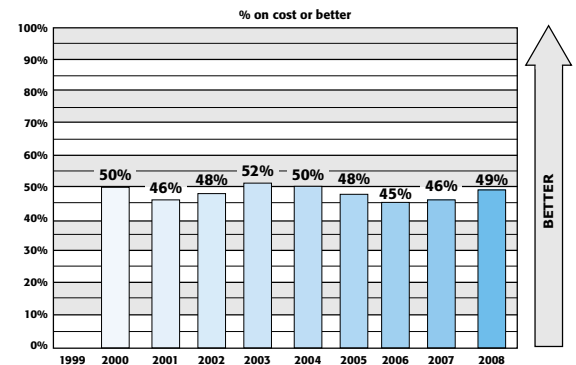


Data not available before the first year shown.

## 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).

In 2008, 49% of projects delivered on target or better, compared with 46% in 2007. This represents a slight improvement in performance this year and virtually unchanged performance over nine years.

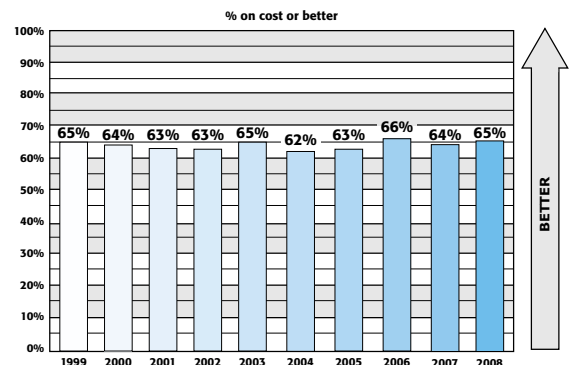


Data not available before the first year shown.

## 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.

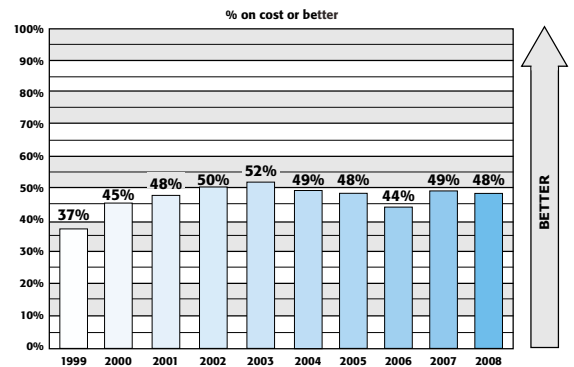
In 2008, 65% of projects delivered on target or better compared with 64% in 2007. This represents a slight improvement in performance this year but unchanged performance over ten years.



## 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.

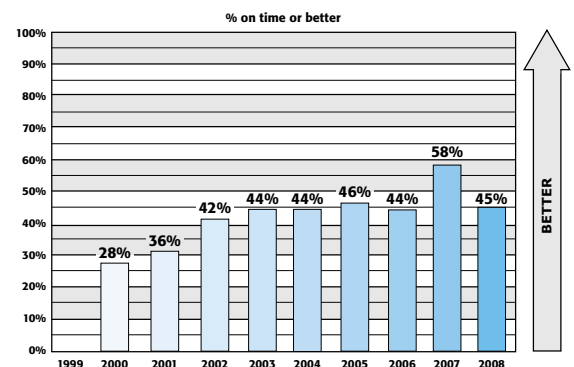
In 2008, 48% of projects delivered on target or better compared with 49% in 2007. This represents a slight improvement in performance this year but the improvements seen in the earlier years have levelled off over the past seven years.



## 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).

In 2008, 45% of projects delivered on target or better compared with 58% in 2007. This represents a significant decline compared to last year. Over nine years there has been significant improvement, but this has levelled off over the most recent years.

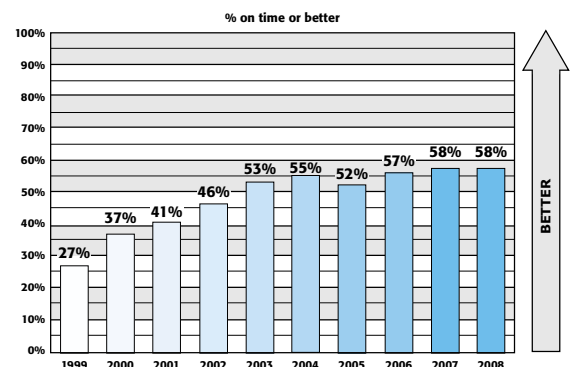


Data not available before the first year shown.

## 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.

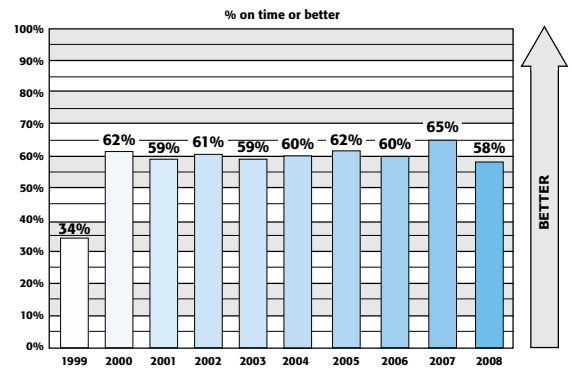
In 2008, 58% of projects delivered on programme or better, the same as 2007. After an improvement in the first few years, performance has levelled off over the most recent three years.



## 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.

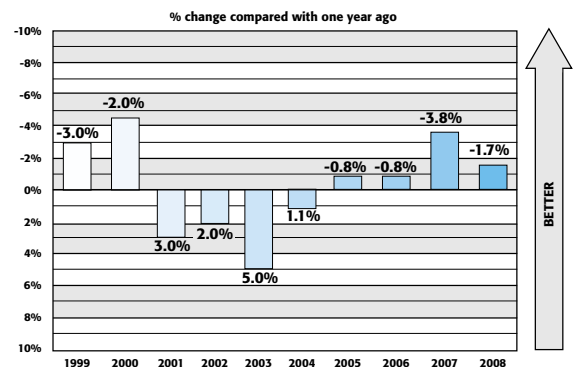
In 2008, 58% of projects delivered on programme or better, compared with 65% in 2007. Over the past nine years there has been a very slight decline in performance.



## Construction Cost

BERR collates data on the total cost of construction, and is able to normalise this by type and size of facility and region of the country.

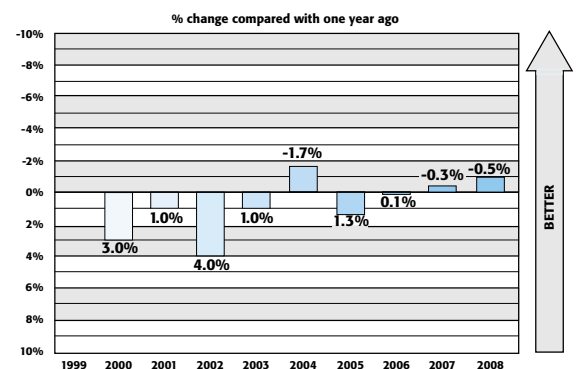
Analysis of this data shows that construction costs in 2008 fell in absolute terms by 1.7% compared with 2007. This is an improvement over last year but no significant change in performance over ten years.



## Construction Time

BERR collates data on the duration of construction and is able to normalise this by type and size of facility and region of the country.

Analysis of this data shows that construction times in 2008 were 0.5% better on average than in 2007. This is an improvement this year, but virtually unchanged performance over nine years.

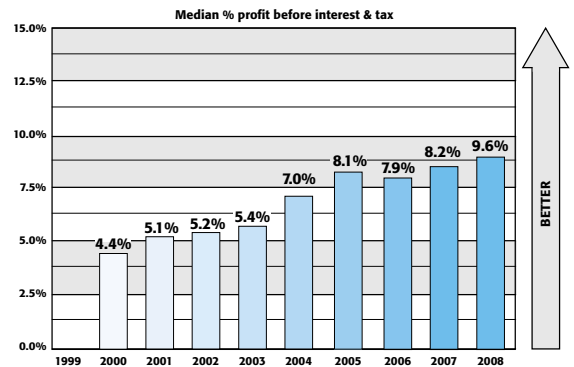


Data not available before the first year shown.

## Profitability - (ROS)

Data on profit before interest and tax (PBIT) is 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.

In 2008, the median profitability per gross turnover was 9.6%, compared with 8.2% in 2007. This represents a small improvement in performance this year and there has been a significant improvement over nine years.

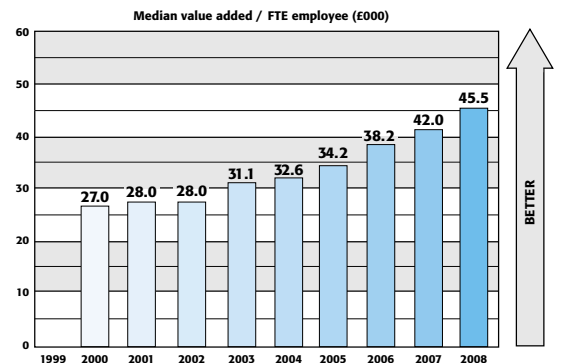


The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This method was applied retrospectively to past years and, where applicable, their results were revised.

## Productivity - (VAPH Current Values)

Data on value added (gross turnover less all bought-in supplies) is 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.

In 2008, the median value added per employee was £45.5k compared to £42.0k in 2007. This represents a significant improvement in performance this year and over nine years.

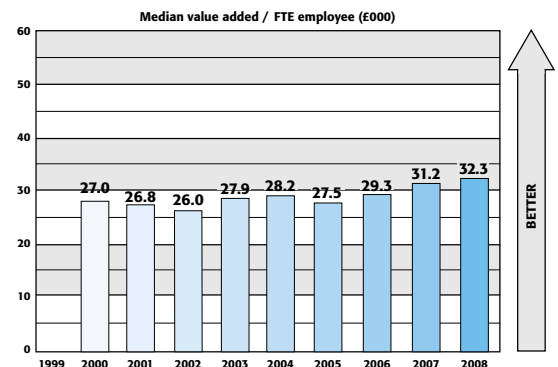


The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This method was applied retrospectively to past years and, where applicable, their results were revised.

## Productivity - (VAPH Constant 2000 Values)

Data on value added (gross turnover less all bought-in supplies) is 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. The data for each year is adjusted back to the 2000 values to remove the effect of inflation.

In 2008, the median value added per employee (adjusted) was £32.3k compared to £31.2k in 2007. This represents a slight improvement in performance this year and over nine years.



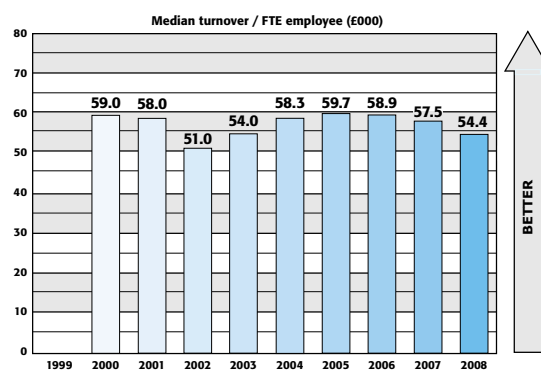
The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This method was applied retrospectively to past years and, where applicable, their results were revised.

Current values are deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values.

## Gross Productivity (TOPH)

Data on gross productivity (turnover per employee) is obtained from firms filing annual accounts with Companies House. A sample of this data taken each January relates to financial performance reported in the previous year.

In 2008, the median gross turnover per employee was £54.4k compared to £57.5k in 2007. This represents a slight reduction in performance this year and over nine years.

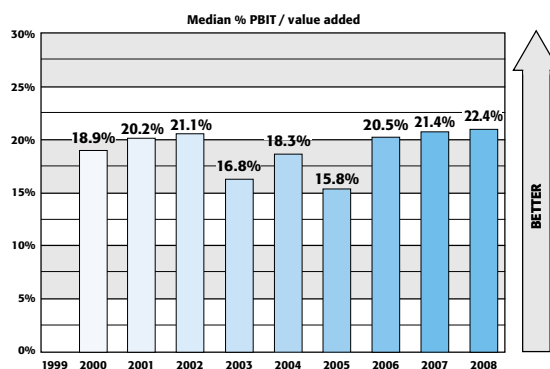


The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This method was applied retrospectively to past years and, where applicable, their results were revised.

## Return on Value Added (ROVA)

Data on return on value-added is obtained from firms filing annual accounts with Companies House. A sample of this data taken each January relates to financial performance reported in the previous year.

In 2008, the median return on value added was 22.4% compared to 21.4% in 2007. This represents a slight improvement in performance this year and over nine years.

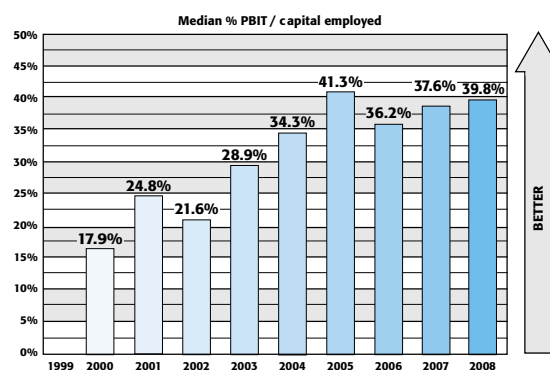


The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This method was applied retrospectively to past years and, where applicable, their results were revised.

## Return on Capital Employed (ROCE)

Data on return on capital employed is obtained from firms filing annual accounts with Companies House. A sample of this data taken each January relates to financial performance reported in the previous year.

In 2008, the median return on capital employed was 39.8% compared to 37.6% in 2007. This represents a slight improvement in performance this year and a significant improvement over nine years.

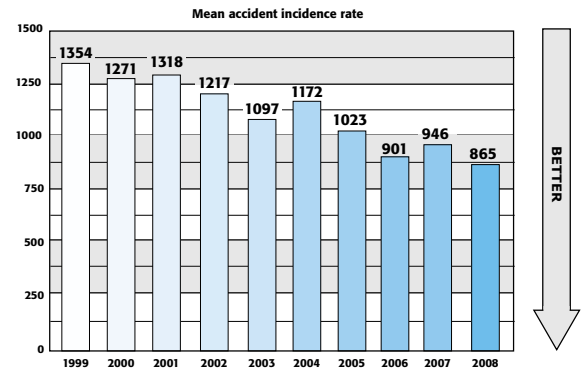


The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This method was applied retrospectively to past years and, where applicable, their results were revised.

## Safety - Industry

The provisional HSE data for all reportable accidents in 2007/08 indicates an accident incidence rate of 865 reportable accidents per 100,000 employed. The equivalent figure for 2006/07 was 946.

This represents a slight deterioration in performance this year, and there has been a significant improvement over ten years.

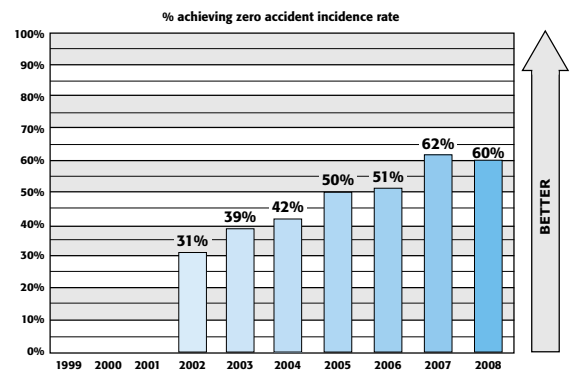


This KPI is based on company annual accident incidence rate published by the Health & Safety Executive on its website at Table 1 "Injuries in GB by Industry and Severity of Injury as reported to all Enforcing Authorities".

## Safety - Contractors - All Companies

The annual KPI surveys ask for company annual accident incidence rates per 100,000 employed. The data set is adjusted for under reporting.

In 2005, 60% of companies reported a zero accident incidence rate compared with 62% in 2007. This represents a slight decline improvement in performance this year but significant improvement over seven years.



Data for this KPI was not available before 2002. This KPI is based on company annual accident incidence rates collected in the BERR Contractor Survey adjusted for under reporting.

# Respect for People KPIs – All Construction

## Year-on-Year Comparisons

KPI	Measure	Performance							Trend	
		2002	2003	2004	2005	2006	2007	2008	Last Year	All Years
<b>Employee Satisfaction</b> <sup>1</sup>	% scoring 8/10 or better	-	41%	41%	51%	55%	47%	46%	↓	↑
<b>Staff Turnover - All Companies</b> <sup>1</sup>	Median % staff turnover	-	7.7%	7.1%	6.7%	5.9%	5.0%	6.3%	↓↓	↑
<b>Sickness Absence - All Companies</b> <sup>1</sup>	Median number of days lost	-	1.8	1.7	1.5	1.4	1.7	1.7	→←	↑
<b>Safety - Industry</b> <sup>2</sup>	Accident incidence rate	1217	1097	1172	1023	901	946	865	↑↑	↑↑
<b>Safety - Contractors All companies</b> <sup>3</sup>	% achieving zero accident incidence rate	31%	39%	42%	50%	51%	62%	60%	↓	↑↑
<b>Working Hours</b>	Median usual hours worked / week	44	41	41	40	40	40	40	→←	↑
<b>Travelling Time</b>	Median travel time to work / day (mins)	31	24	25	25	25	25	25	→←	↑
<b>Qualifications &amp; Skills</b> <sup>1</sup>	Median % of direct employees qualified to NVQ Level 2 or higher qualification	-	-	30%	33%	40%	33%	25%	↓↓	↓
<b>Equality &amp; Diversity</b> <sup>1</sup>	% scoring 8/10 or better	-	44%	46%	54%	54%	56%	56%	→←	↑↑
<b>Training</b> <sup>1</sup>	Median annual training days / full-time equivalent employee	-	0.8	0.8	1.0	1.0	0.9	1.0	↑↑	↑↑
<b>Pay</b>	Median gross weekly earnings (£)	365	414	425	441	460	481	495	↑	↑↑
<b>Investors in People</b> <sup>4</sup>	Mean % of direct employees covered by IIP commitment and recognition	15.4%	16.7%	19.0%	14.9%	11.1%	11.1%	12.4%	↑↑	↓

<sup>1</sup> Data not available before the first year shown.

<sup>2</sup> 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".

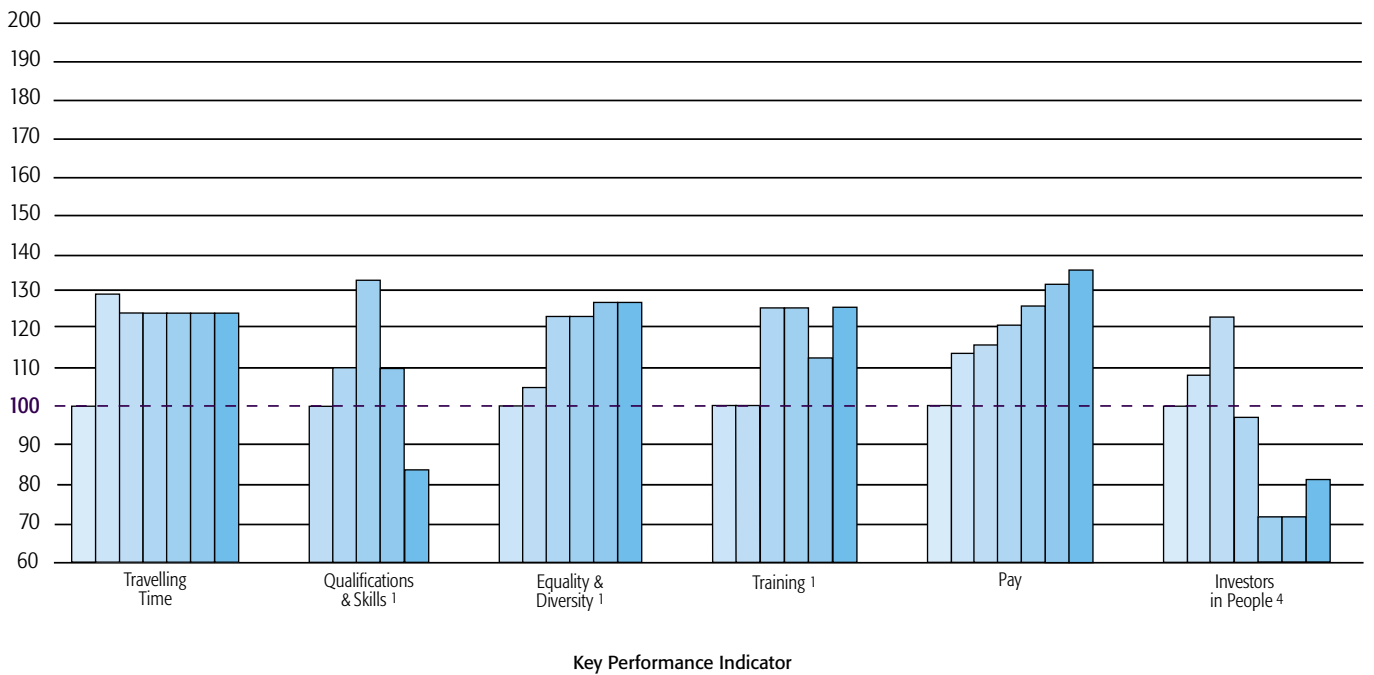
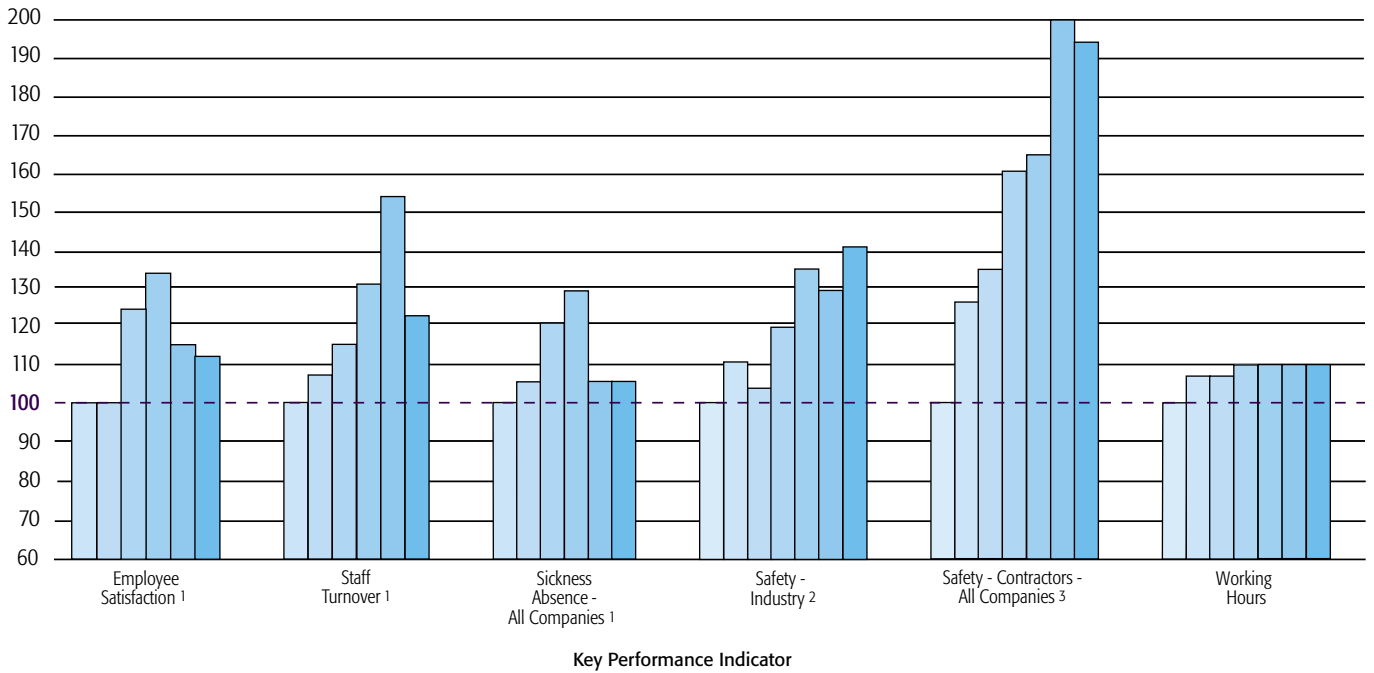
<sup>3</sup> Based on company annual accident incidence rates collected in the BERR Contractor Survey adjusted for under reporting (see KPI Tutorial for details).

<sup>4</sup> Based on Investors in People UK Ltd latest industry average performance. IIP UK Ltd made major revisions to the make up of the SIC Code content of their data base of Construction Organisations in 2005 & 2006.



2002 2003 2004 2005 2006 2007 2008

(First year with data = 100)



# Environment KPIs – All Construction

## Year-on-Year Comparisons

KPI	Measure	Performance						Trend	
		2003	2004	2005	2006	2007	2008	Last Year	All Years
<b>Product Performance -</b>									
<b>Impact on the Environment</b>	% scoring 8/10 or better	28%	32%	53%	54%	51%	55%	↑↑	↑↑
<b>Impact on Biodiversity</b>	% scoring 8/10 or better	34%	28%	33%	36%	34%	35%	↑	→←
<b>Whole Life Performance</b>	% scoring 8/10 or better	29%	35%	41%	41%	39%	35%	↓↓	↑
<b>Energy Use (Designed)</b>	Median energy use kgCO <sub>2</sub> / 100m <sup>2</sup> gross floor area	4414	4295	4291	3729	3775	4474	↓↓	→←
<b>Energy Use (Designed) - Housing SAP Rating <sup>1 3 4</sup></b>	Median SAP rating	-	90	95	97	100	100	→←	↑
<b>Mains Water Use (Designed) <sup>2</sup></b>	Median water use m <sup>3</sup> / 100m <sup>2</sup> gross floor area	69.6	70.4	53.2	52.0	90.4	80.0	↑↑	↓
<b>Area of Habitat - Created/Retained <sup>1</sup></b>	% when no change or an increase in area of habitat	-	84%	76%	83%	78%	80%	↑	↓
<b>Construction Process Performance -</b>									
<b>Impact on the Environment</b>	% scoring 8/10 or better	51%	56%	44%	45%	44%	48%	↑↑	↓
<b>Impact on Biodiversity</b>	% scoring 8/10 or better	35%	39%	45%	48%	46%	49%	↑↑	↑↑
<b>Energy Use</b>	Median energy use kgCO <sub>2</sub> / £100k project value	288	322	293	293	273	192	↑↑	↑↑
<b>Mains Water Use</b>	Median water use m <sup>3</sup> / £100k project value	7.5	9.7	8.2	8.9	8.2	7.1	↑↑	↑
<b>Waste</b>	Median waste removed from site m <sup>3</sup> / £100k project value	43.5	47.1	41.6	37.0	39.1	36.9	↑↑	↑
<b>Commercial Vehicle Movements</b>	Median movements onto site / £100k project value	44.0	34.5	29.4	30.4	29.4	26.5	↑↑	↑↑

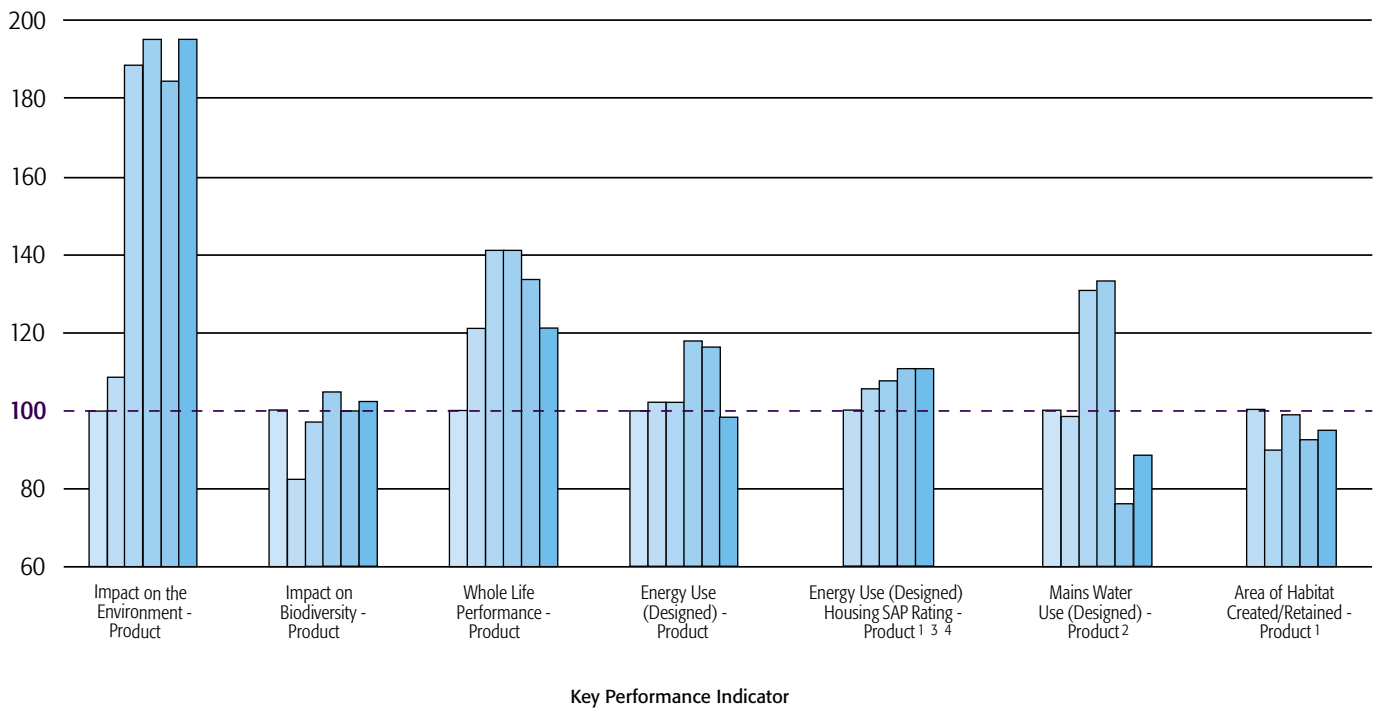
1 Data not available before the first year shown.

2 Limited data use with caution

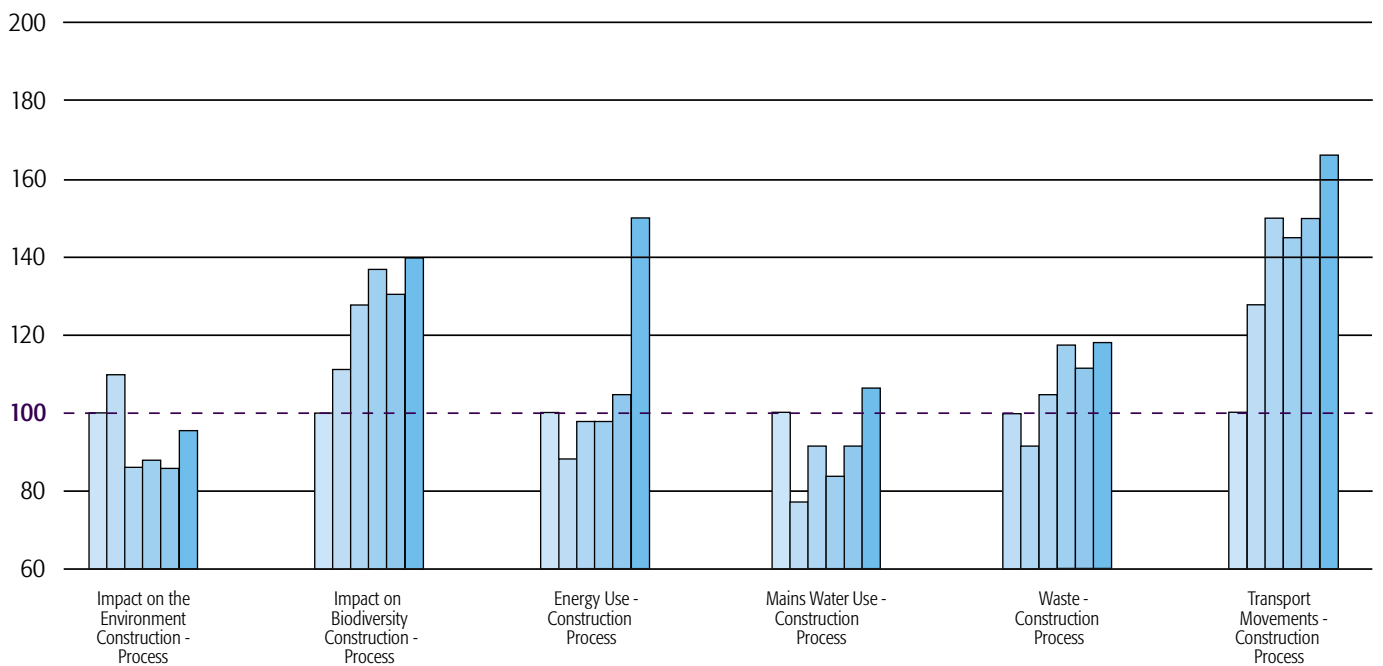
3 Based on SAP2001

4 Insufficient data to publish a result in 2008. The 2007 result used for 2008.

2003
  2004
  2005
  2006
  2007
  2008  
 (First year with data = 100)



Key Performance Indicator



Key Performance Indicator

# Economic KPIs – All Housing

## Year-on-Year Comparisons

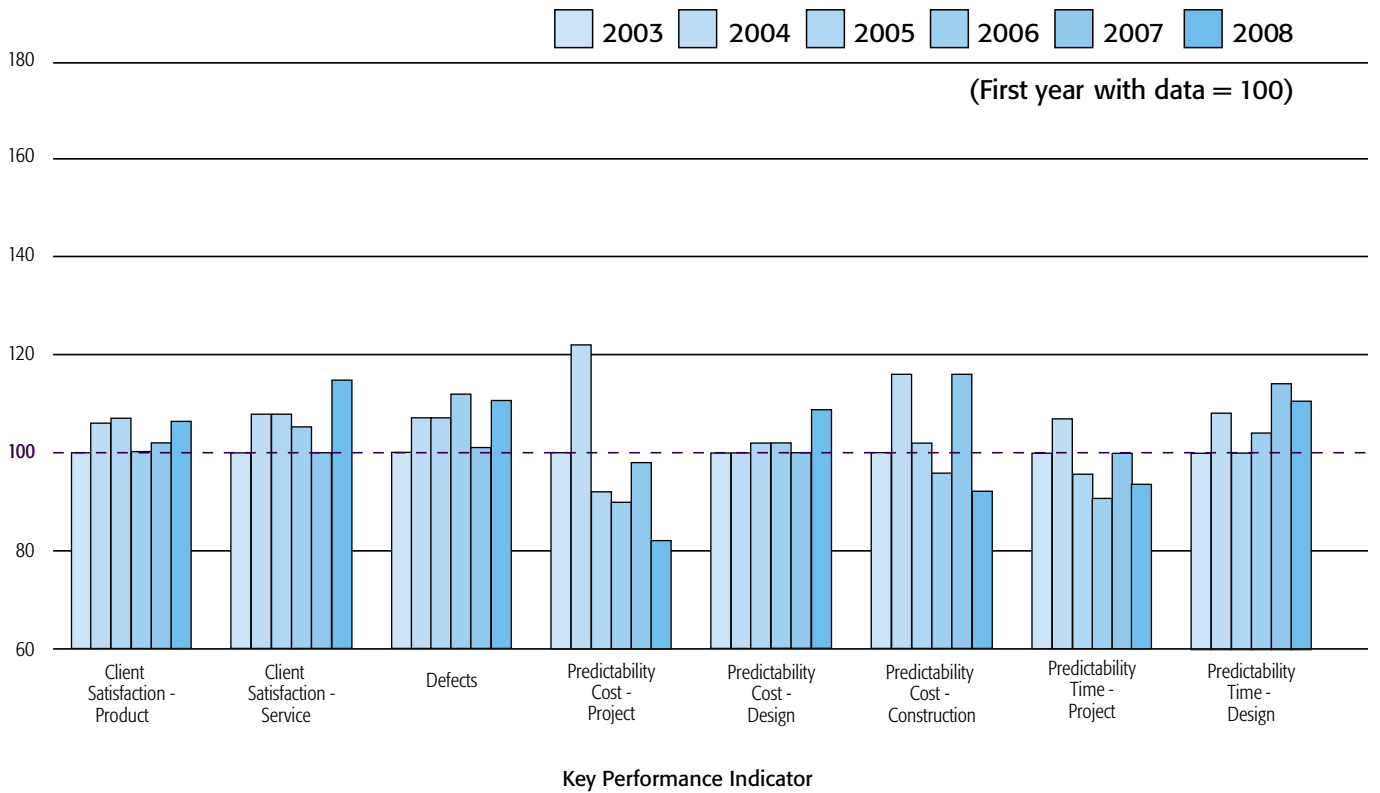
KPI	Measure	Performance						Trend	
		2003	2004	2005	2006	2007	2008	Last Year	All Years
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	<b>81%</b>	<b>86%</b>	<b>87%</b>	<b>81%</b>	<b>83%</b>	<b>86%</b>	↑	↑
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	<b>74%</b>	<b>80%</b>	<b>80%</b>	<b>78%</b>	<b>74%</b>	<b>84%</b>	↑↑	↑
<b>Defects - Impact at Handover</b>	% scoring 8/10 or better	<b>73%</b>	<b>78%</b>	<b>78%</b>	<b>82%</b>	<b>74%</b>	<b>80%</b>	↑↑	↑
<b>Predictability Cost - Project</b>	% on cost or better	<b>49%</b>	<b>60%</b>	<b>45%</b>	<b>43%</b>	<b>48%</b>	<b>40%</b>	↓↓	↓
<b>Predictability Cost - Design</b>	% on cost or better	<b>66%</b>	<b>66%</b>	<b>67%</b>	<b>67%</b>	<b>66%</b>	<b>71%</b>	↑↑	↑
<b>Predictability Cost - Construction</b>	% on cost or better	<b>48%</b>	<b>56%</b>	<b>49%</b>	<b>46%</b>	<b>56%</b>	<b>44%</b>	↓↓	↓
<b>Predictability Time - Project</b>	% on time or better	<b>46%</b>	<b>49%</b>	<b>44%</b>	<b>42%</b>	<b>46%</b>	<b>43%</b>	↓↓	↓
<b>Predictability Time - Design</b>	% on time or better	<b>51%</b>	<b>55%</b>	<b>51%</b>	<b>53%</b>	<b>58%</b>	<b>56%</b>	↓	↑
<b>Predictability Time - Construction</b>	% on time or better	<b>62%</b>	<b>62%</b>	<b>56%</b>	<b>57%</b>	<b>59%</b>	<b>54%</b>	↓↓	↓
<b>Construction Cost</b>	% change compared with one year ago	<b>0.3%</b>	<b>2.0%</b>	<b>1.0%</b>	<b>-2.1%</b>	<b>1.8%</b>	<b>-0.8%</b>	→←	→←
<b>Construction Time</b>	% change compared with one year ago	<b>-1.8%</b>	<b>-2.3%</b>	<b>2.2%</b>	<b>0.8%</b>	<b>1.0%</b>	<b>-1.3%</b>	↑	→←
<b>Profitability <sup>1</sup></b>	Median % profit before interest & tax	<b>5.5%</b>	<b>7.7%</b>	<b>8.9%</b>	<b>8.5%</b>	<b>7.1%</b>	<b>8.8%</b>	↑↑	↑↑
<b>Productivity (Current Values) <sup>1</sup></b>	Median value added/ FTE employee (£000)	<b>32.0</b>	<b>31.9</b>	<b>36.6</b>	<b>47.8</b>	<b>54.0</b>	<b>53.3</b>	↓	↑↑
<b>Productivity (Constant 2003 Values) <sup>1 2</sup></b>	Median value added/ FTE employee (£000)	<b>32.0</b>	<b>30.7</b>	<b>32.8</b>	<b>40.8</b>	<b>44.6</b>	<b>42.1</b>	↓↓	↑↑
<b>Safety - Industry <sup>3</sup></b>	Accident incidence rate	<b>1097</b>	<b>1172</b>	<b>1023</b>	<b>901</b>	<b>946</b>	<b>865</b>	↑↑	↑↑
<b>Safety - Contractors - All Companies <sup>4</sup></b>	% achieving zero accident incidence rate	<b>39%</b>	<b>42%</b>	<b>50%</b>	<b>51%</b>	<b>62%</b>	<b>60%</b>	↓	↑↑

<sup>1</sup> 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 to past years and, where applicable, their results were revised.

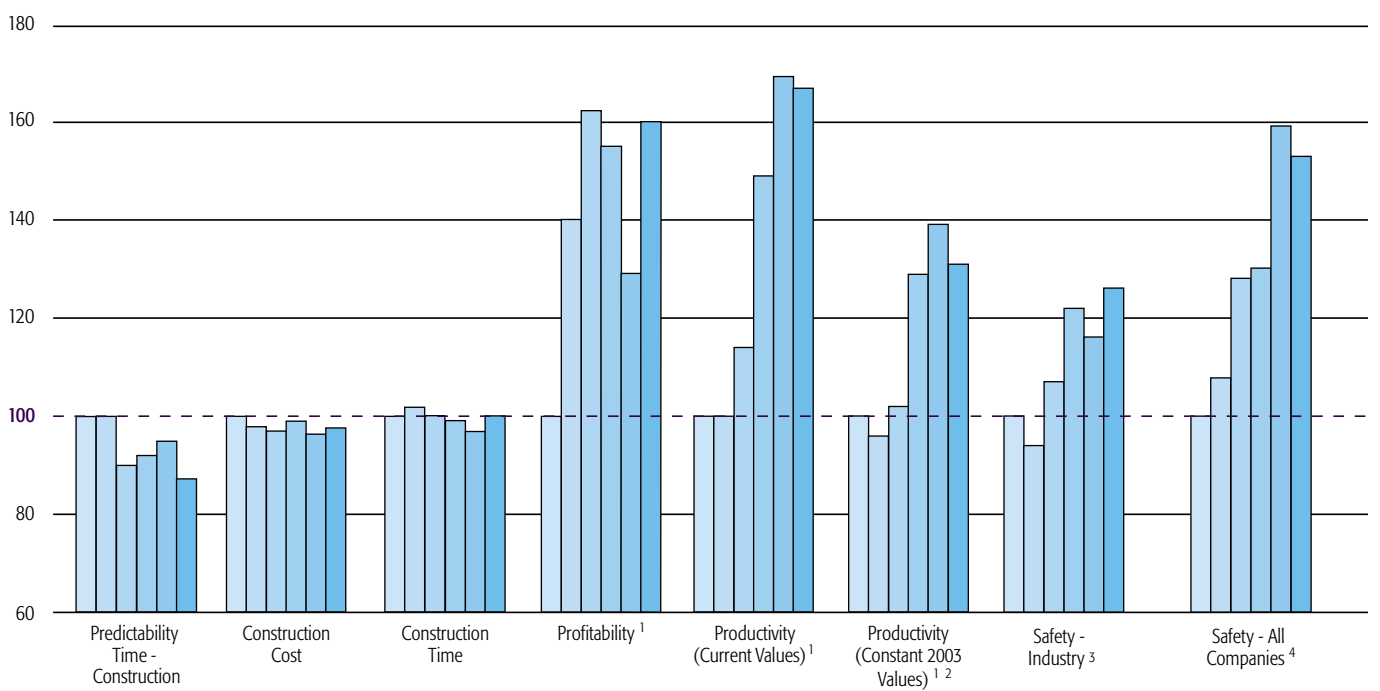
<sup>2</sup> Current values are deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values

<sup>3</sup> This KPI is 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".

<sup>4</sup> There is no sector breakdown available for this KPI. This KPI is based on company annual accident incidence rates collected in the BERR Contractor Survey adjusted for under reporting (see KPI Tutorial for details).



Key Performance Indicator



Key Performance Indicator

# Economic KPIs – All Non-Housing

## Year-on-Year Comparisons

KPI	Measure	Performance						Trend	
		2003	2004	2005	2006	2007	2008	Last Year	All Years
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	76%	77%	81%	85%	82%	82%	→←	↑
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	70%	73%	75%	79%	78%	72%	↓↓	→←
<b>Defects - Impact at Handover</b>	% scoring 8/10 or better	64%	60%	66%	74%	71%	68%	↓	↑
<b>Predictability Cost - Project</b>	% on cost or better	54%	50%	48%	46%	45%	51%	↑↑	↓
<b>Predictability Cost - Design</b>	% on cost or better	66%	63%	63%	68%	65%	62%	↓	↓
<b>Predictability Cost - Construction</b>	% on cost or better	52%	48%	47%	43%	46%	50%	↑↑	→←
<b>Predictability Time - Project</b>	% on time or better	46%	41%	46%	45%	46%	48%	↑	→←
<b>Predictability Time - Design</b>	% on time or better	57%	60%	54%	60%	54%	61%	↑↑	↑
<b>Predictability Time - Construction</b>	% on time or better	59%	59%	65%	62%	60%	57%	↓↓	→←
<b>Construction Cost</b>	% change compared with one year ago	3.4%	1.2%	0.4%	-0.8%	-2.9%	0.6%	→←	→←
<b>Construction Time</b>	% change compared with one year ago	1.5%	-0.3%	-0.3%	1.0%	-1.3%	0.7%	→←	→←
<b>Profitability <sup>1</sup></b>	Median % profit before interest & tax	4.9%	6.4%	7.6%	7.5%	8.2%	9.1%	↑↑	↑↑
<b>Productivity (Current Values) <sup>1</sup></b>	Median value added/ FTE employee (£000)	29.4	30.1	31.6	35.9	39.0	41.8	↑↑	↑↑
<b>Productivity (Constant 2003 Values) <sup>1 2</sup></b>	Median value added/ FTE employee (£000)	29.4	29.0	28.3	30.6	32.2	33.0	↑	↑
<b>Safety - Industry <sup>3</sup></b>	Accident incidence rate	1097	1172	1023	901	946	865	↑↑	↑↑
<b>Safety - Contractors - All Companies <sup>4</sup></b>	% achieving zero accident incidence rate	39%	42%	50%	51%	62%	60%	↓	↑↑

<sup>1</sup> 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 to past years and, where applicable, their results were revised.

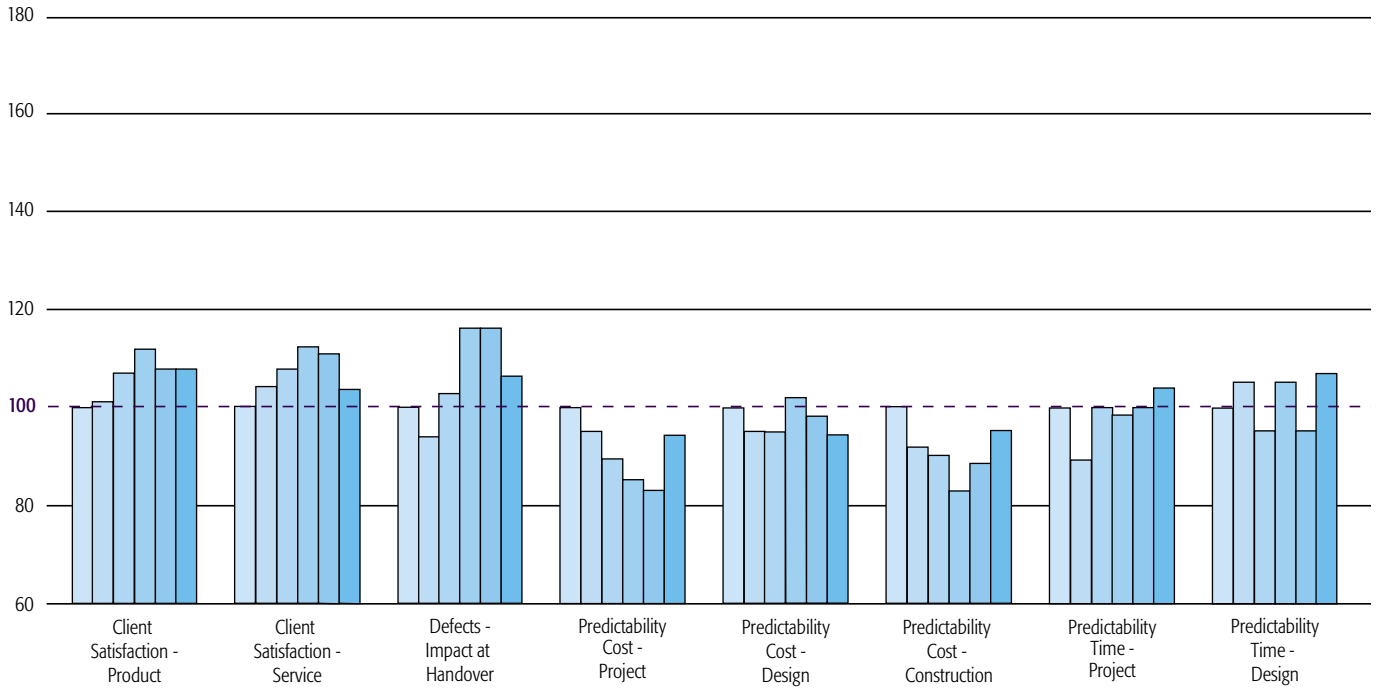
<sup>2</sup> Current values are deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values

<sup>3</sup> This KPI is 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".

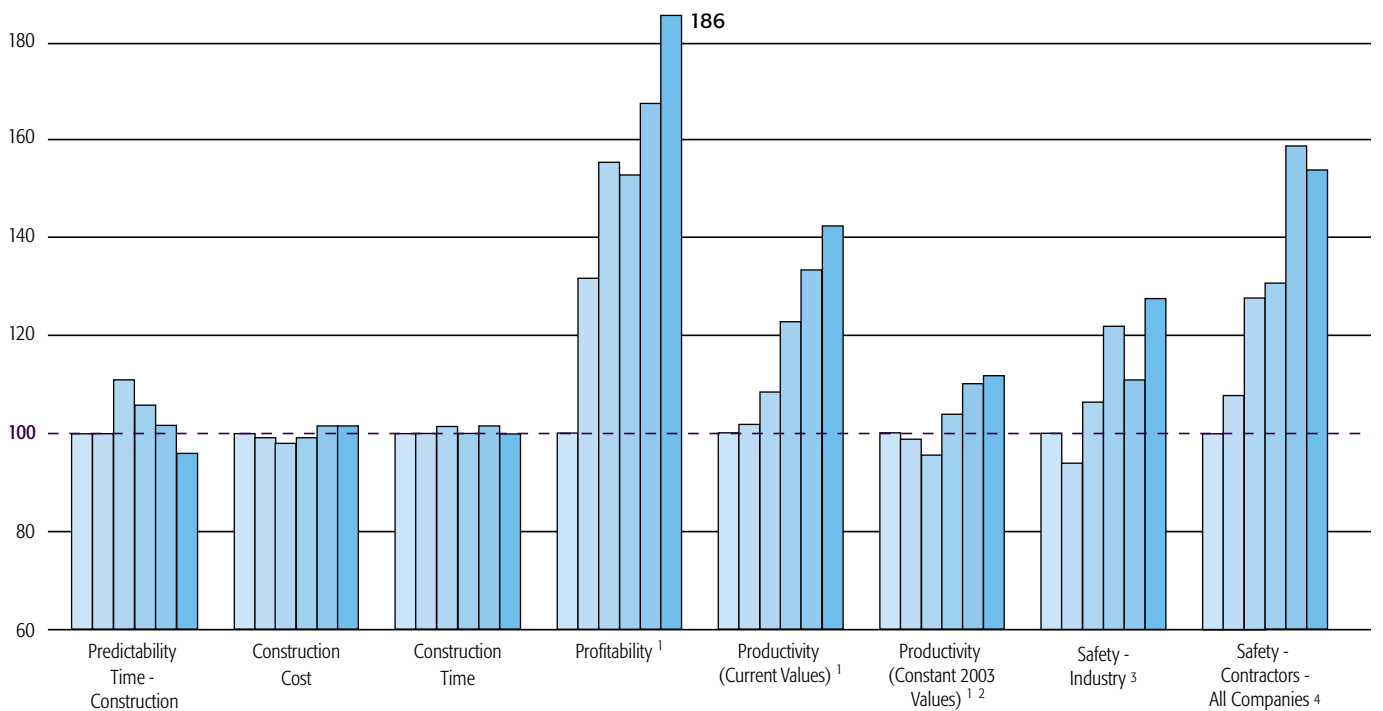
<sup>4</sup> There is no sector breakdown available for this KPI. This KPI is based on company annual accident incidence rates collected in the BERR Contractor Survey adjusted for under reporting (see KPI Tutorial for details).

2003 2004 2005 2006 2007 2008

(First year with data = 100)



Key Performance Indicator



Key Performance Indicator

# Construction Consultants KPIs

## Year-on-Year Comparisons

KPI	Measure	Performance							Trend	
		2002	2003	2004	2005	2006	2007	2008	Last Year	All Years
<b>Client Satisfaction - Overall Performance</b>	% scoring 8/10 or better	45%	42%	48%	51%	50%	52%	54%	↑	↑
<b>Client Satisfaction - Value for Money</b>	% scoring 8/10 or better	39%	37%	45%	41%	49%	47%	46%	↓	↑
<b>Client Satisfaction - Quality of service</b>	% scoring 8/10 or better	42%	43%	45%	43%	47%	49%	49%	→ ←	↑
<b>Client Satisfaction - Timely delivery</b>	% scoring 8/10 or better	41%	38%	42%	36%	38%	44%	45%	↑	↑
<b>Client Satisfaction - H&amp;S awareness</b>	% scoring 8/10 or better	42%	39%	49%	45%	54%	55%	57%	↑	↑↑
<b>Training</b>	Median annual training days per FTE employee	1.9	2.2	3.2	2.0	1.4	1.2	1.5	↓↓	↓
<b>Profitability <sup>1</sup></b>	Median % profit before interest and tax	8.0%	7.5%	8.6%	9.3%	9.6%	10.7%	13.3%	↑↑	↑↑
<b>Productivity (Current Values) <sup>1</sup></b>	Median value added / UK FTE employee (£000s)	31.0	33.4	35.6	36.4	36.4	40.9	46.1	↑↑	↑↑
<b>Productivity (Constant 2002 Values) <sup>1 2</sup></b>	Median value added / UK FTE employee (£000s)	31.0	32.4	33.2	31.6	30.1	32.7	35.3	↑↑	↑

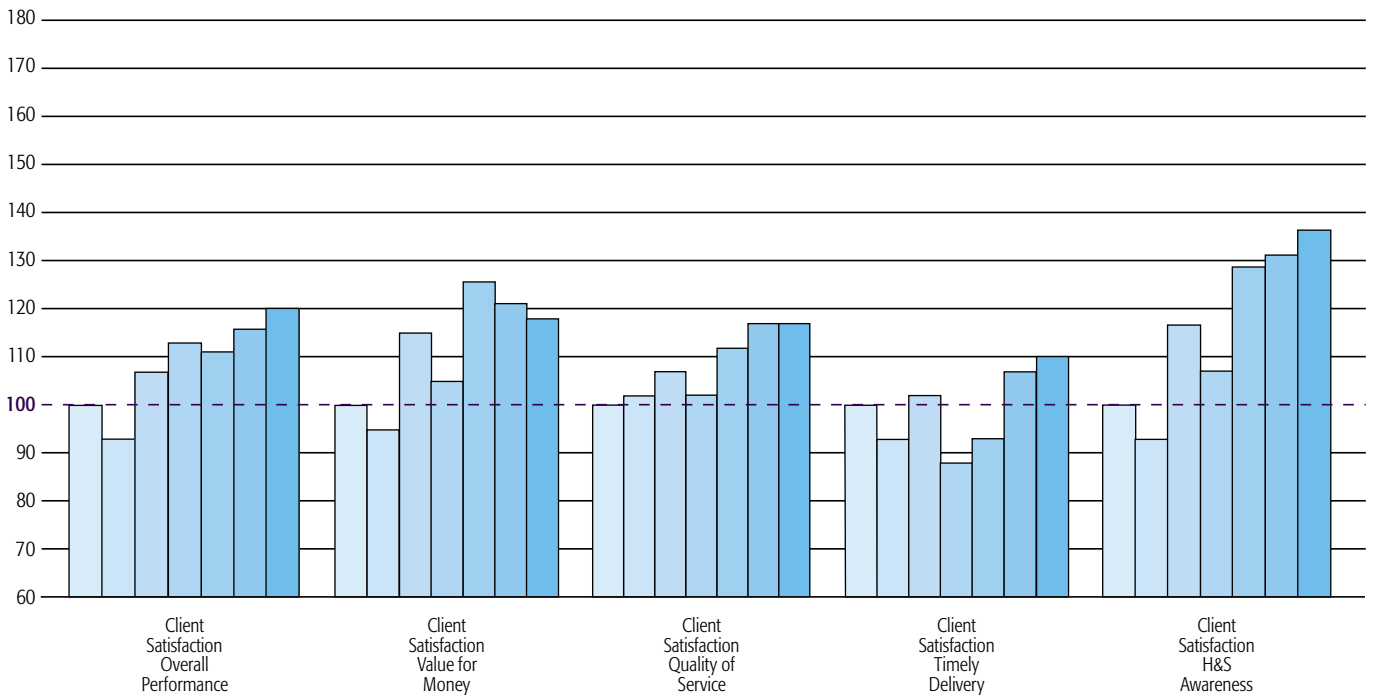
<sup>1</sup> In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This method was applied retrospectively to past years and, where applicable, their results were revised.

<sup>2</sup> Current values deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values.

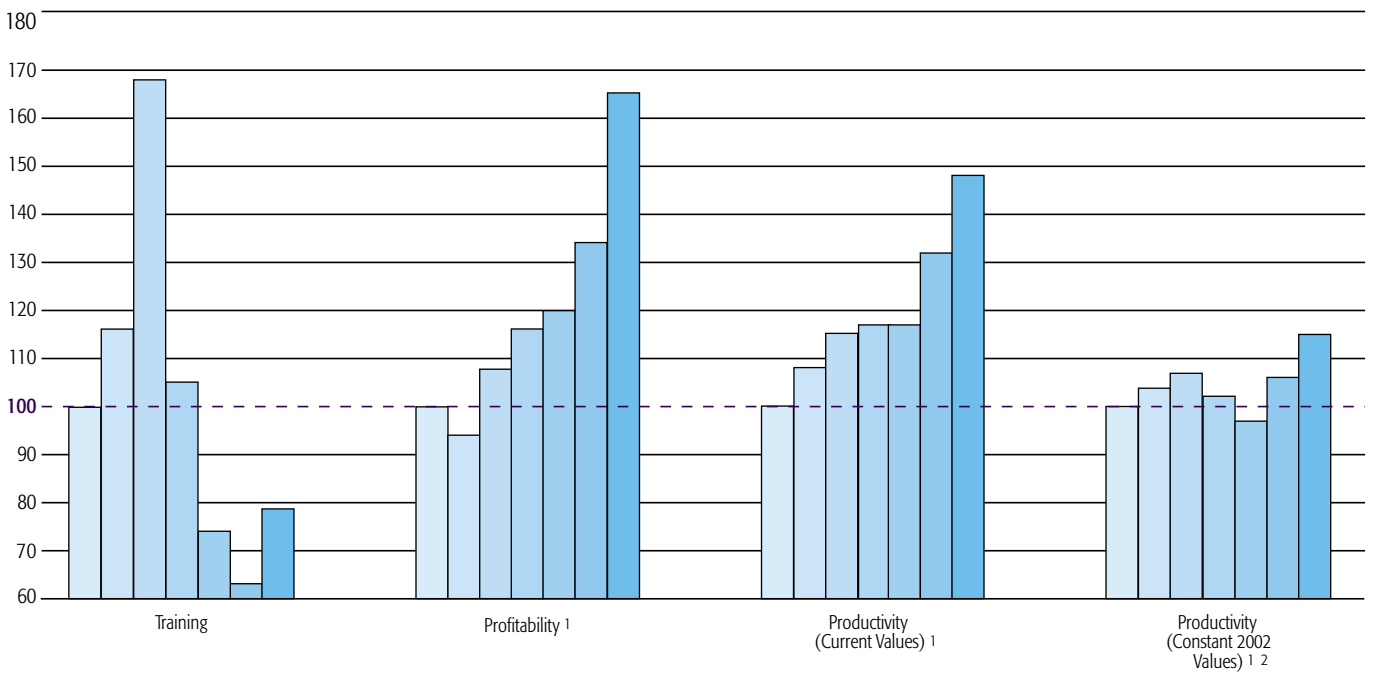


2002 2003 2004 2005 2006 2007 2008

(First year with data = 100)



Key Performance Indicator



Key Performance Indicator

# M&E Contractors KPIs

## Year-on-Year Comparisons

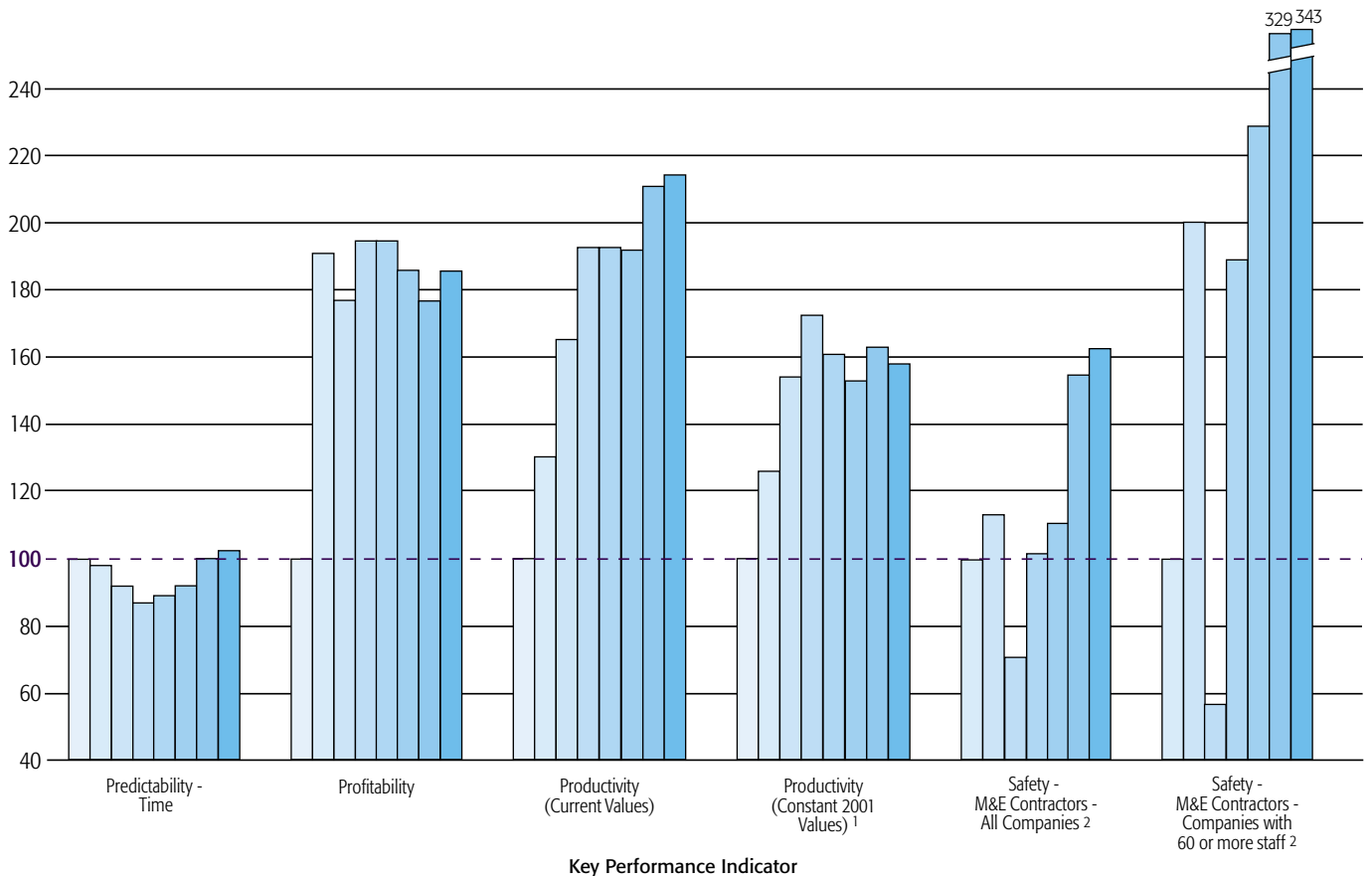
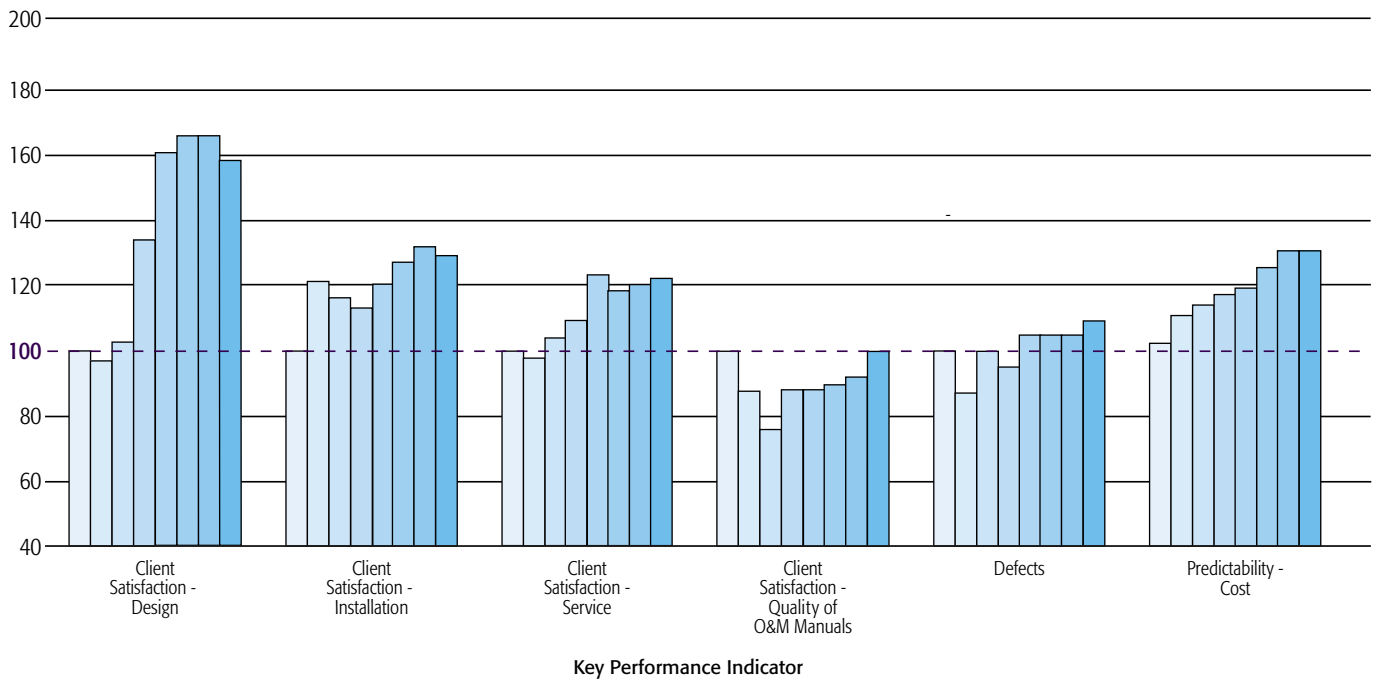
KPI	Measure	Performance								Trend	
		2001	2002	2003	2004	2005	2006	2007	2008	Last Year	All Years
<b>Client Satisfaction - Design</b>	% scoring 8/10 or better	38%	37%	39%	51%	61%	63%	63%	60%	↓	↑↑
<b>Client Satisfaction - Installation</b>	% scoring 8/10 or better	56%	68%	65%	63%	67%	71%	74%	72%	↓	↑
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	56%	55%	58%	61%	69%	66%	67%	68%	↑	↑
<b>Client Satisfaction - Quality O&amp;M Manuals</b>	% scoring 8/10 or better	50%	44%	38%	44%	44%	45%	46%	48%	↑	→←
<b>Defects</b>	% scoring 8/10 or better	63%	55%	63%	60%	66%	66%	66%	68%	↑	↑
<b>Predictability - Cost</b>	% on cost or better	37%	40%	41%	42%	43%	45%	47%	47%	→←	↑
<b>Predictability - Time</b>	% on time or better	53%	52%	49%	46%	47%	49%	53%	54%	↑	→←
<b>Profitability</b>	Median % profit turnover	2.2%	4.2%	3.9%	4.3%	4.3%	4.1%	3.9%	4.1%	↑↑	↑↑
<b>Productivity (Current Values)</b>	Median value added / M&E operative (£000)	26.1	34.0	43.0	50.0	50.0	49.8	55.0	55.7	↑	↑↑
<b>Productivity (Constant 2001 Values) <sup>1</sup></b>	Median value added / M&E operative (£000)	26.1	32.9	40.3	45.1	42.0	39.8	42.6	41.3	↓	↑↑
<b>Safety - M&amp;E Contractors - All Companies <sup>2</sup></b>	% achieving zero accident incidence rate	-	31%	35%	22%	32%	34%	48%	50%	↑	↑↑
<b>Safety - M&amp;E Contractors - Companies with 60 staff or more <sup>2</sup></b>	% achieving zero accident incidence rate	-	7%	14%	4%	13%	16%	23%	24%	↑	↑↑

<sup>1</sup> Current values deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values.

<sup>2</sup> Based on company annual accident incidence rates collected in the BSRIA M&E Contractors Survey. From 2002 data has been adjusted for under reporting, therefore, direct comparison with 2001 is not valid.

2001
  2002
  2003
  2004
  2005
  2006
  2007
  2008

(First year with data = 100)



# Construction Products Industry KPIs

## Year-on-Year Comparisons

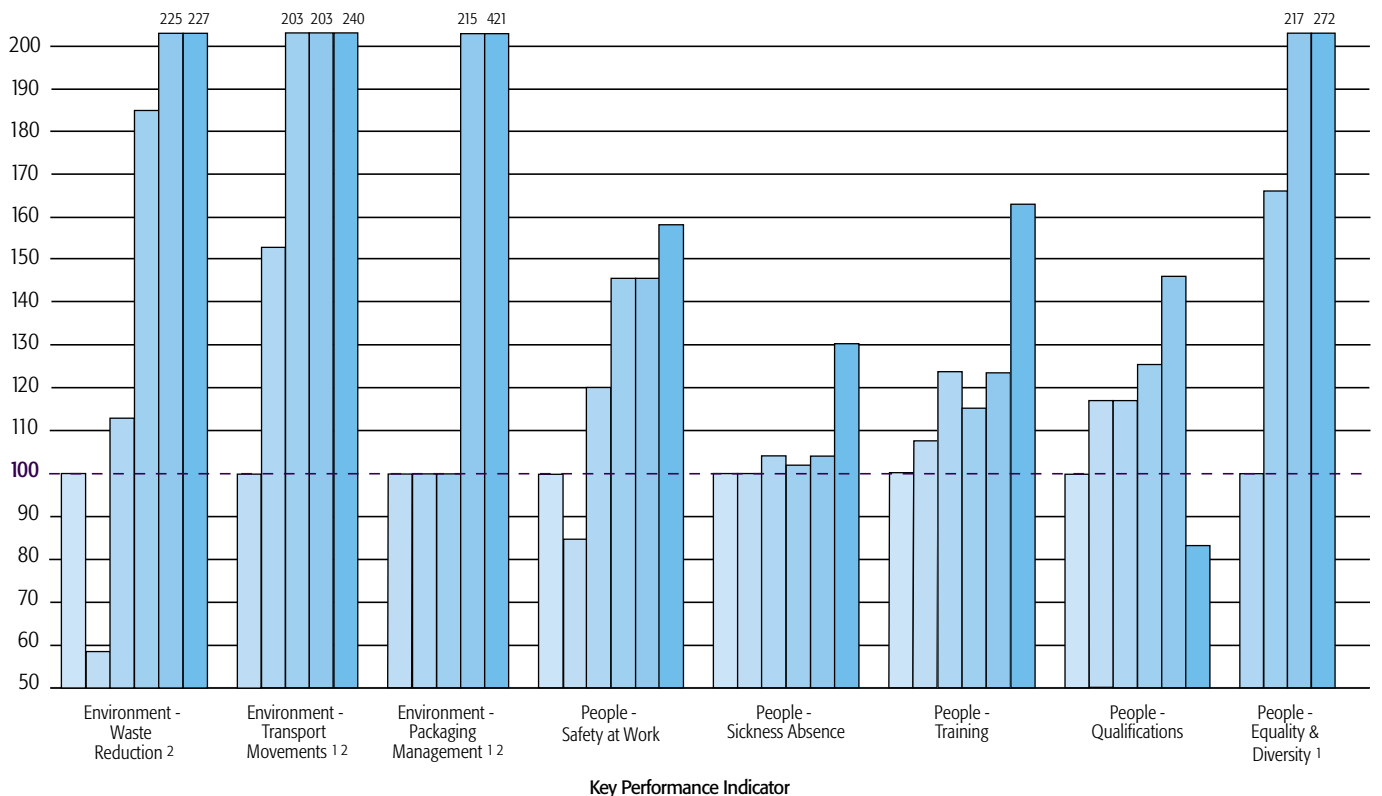
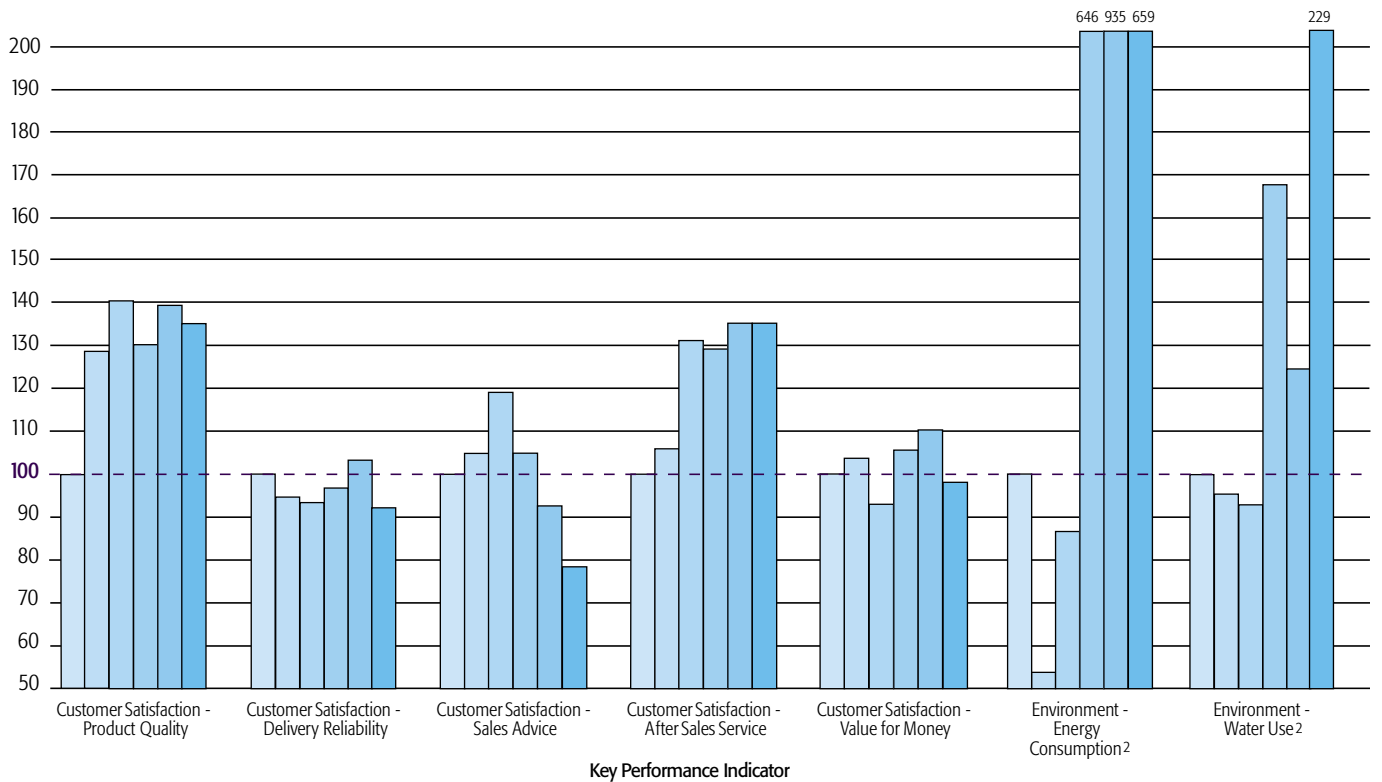
KPI	Measure	Performance						Trend	
		2003	2004	2005	2006	2007	2008	Last Year	All Years
<b>Customer Satisfaction</b>									
<b>Product Quality</b>	% scoring 8/10 or better	57%	73%	80%	74%	79%	77%	↓	↑↑
<b>Delivery Reliability</b>	% scoring 8/10 or better	68%	64%	63%	65%	70%	62%	↓↓	↓
<b>Sales Advice</b>	% scoring 8/10 or better	53%	55%	63%	55%	48%	42%	↓↓	↓
<b>After Sales Service</b>	% scoring 8/10 or better	49%	52%	64%	63%	66%	66%	→←	↑↑
<b>Value for Money</b>	% scoring 8/10 or better	51%	53%	47%	54%	56%	50%	↓↓	→←
<b>Environment</b>									
<b>Energy Use <sup>2</sup></b>	Median energy consumed KgCO <sub>2</sub> / 10 tonne of production output	743	1397	869	115	80	113	-	-
<b>Water Use <sup>2</sup></b>	Median water used m <sup>3</sup> / 10 tonne of production output	1.90	2.00	2.09	1.13	1.55	0.83	-	-
<b>Waste Reduction <sup>2</sup></b>	Median tonnes of waste leaving site as a % of total production output	1.33%	2.29%	1.19%	0.72%	0.59%	0.48%	-	-
<b>Transport Movements <sup>1 2</sup></b>	Median number movements / 10 tonne of production output	-	1.20	0.79	0.59	0.59	0.50	-	-
<b>Packaging Management <sup>1 2</sup></b>	Median tonnes of packaging bought as a % of total production output	-	1.01%	1.01%	1.01%	0.47%	0.24%	-	-
<b>People</b>									
<b>Safety at Work</b>	Mean accident incidence rate	2050	2412	1702	1416	1416	1288	↑↑	↑↑
<b>Sickness Absence</b>	Median number of days lost per employee	6.1	6.1	5.9	6.0	5.9	4.7	↑↑	↑↑
<b>Training</b>	Median annual training days / full-time equivalent employee	1.3	1.4	1.6	1.5	1.6	2.1	↑↑	↑↑
<b>Qualifications</b>	Median % of full-time employees qualified to NVQ Level 2 or higher	24%	28%	28%	30%	35%	20%	↓↓	↓
<b>Equality &amp; Diversity <sup>1</sup></b>	% scoring 8/10 or better	-	-	18%	30%	39%	49%	↑↑	↑↑

<sup>1</sup> Data not available before the first year shown.

<sup>2</sup> Sample sizes unstable. Trends not provided as they may be misleading.

2002 2003 2004 2005 2006 2007 2008

(First year with data = 100)



# Constructing Excellence Demonstration Projects

## Year-on-Year Comparisons

KPI	Measure	Performance								Trend	
		2001	2002	2003	2004	2005	2006	2007	2008	Last Year	All Years
<b>Economic KPIs:</b>											
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	93%	84%	90%	90%	89%	86%	86%	88%	↑	→←
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	76%	78%	86%	94%	88%	83%	83%	90%	↑↑	↑
<b>Defects - Impact at Handover</b>	% scoring 8/10 or better	82%	86%	87%	75%	84%	78%	79%	87%	↑↑	→←
<b>Predictability Cost - Design</b>	% on cost or better	67%	77%	71%	69%	86%	82%	82%	82%	→←	↑
<b>Predictability Cost - Construction</b>	% on cost or better	58%	67%	64%	60%	81%	73%	92%	77%	↓↓	↑
<b>Predictability Time - Design</b>	% on time or better	74%	79%	66%	62%	78%	81%	88%	88%	→←	↑
<b>Predictability Time - Construction</b>	% on time or better	65%	67%	69%	69%	85%	79%	86%	89%	↑	↑↑
<b>Construction Cost</b>	% change compared with one year ago	0.1%	2.0%	-3.2%	0.5%	-7.0%	-7.0%	-8.2%	-4.1%	↑	↑
<b>Construction Time</b>	% change compared with one year ago	0.1%	-10.0%	-1.5%	-7.0%	-10.0%	-9.0%	-9.7%	-5.6%	↑	↑↑
<b>Profitability <sup>2</sup></b>	Median % profit before interest & tax	6.0%	5.0%	6.0%	6.5%	7.0%	10.0%	9.8%	7.1%	↓↓	↑
<b>Productivity (Current Values)</b>	Median value added/ FTE employed (£000)	37.0	35.0	36.0	55.0	89.7	79.0	84.3	84.5	→←	↑↑
<b>Productivity (Constant 2000 Values)</b>	Median value added/ FTE employed (£000)	38.2	35.0	34.9	51.3	77.8	65.3	67.4	62.6	↓	↑↑
<b>Respect for People KPIs:</b>											
<b>Safety - Overall <sup>3</sup></b>	Accident incidence rate	569	605	428	435	458	425	410	330	↑↑	↑↑
<b>Safety - All Projects <sup>1 3</sup></b>	% scoring zero accident incidence rate	-	-	-	78%	78%	76%	77%	65%	↓↓	↓
<b>Employee Satisfaction <sup>1</sup></b>	% scoring 8/10 or better	-	-	-	89%	92%	88%	90%	90%	→←	→←
<b>Staff Turnover - All Projects <sup>1</sup></b>	Median % staff turnover	-	-	-	2.0%	3.0%	4.0%	3.0%	3.0%	→←	↓↓
<b>Qualifications &amp; Skills <sup>1</sup></b>	Median % of direct employees qualified to NVQ Level 2 or higher	-	-	-	100%	93%	96%	98%	98%	→←	→←
<b>Environment KPIs:</b>											
<b>Environmental Impact - Product <sup>1</sup></b>	% scoring 8/10 or better	-	-	62%	71%	82%	93%	88%	92%	↑	↑↑
<b>Environmental Impact - Construction Process <sup>1</sup></b>	% scoring 8/10 or better	-	-	76%	82%	83%	89%	88%	90%	↑	↑

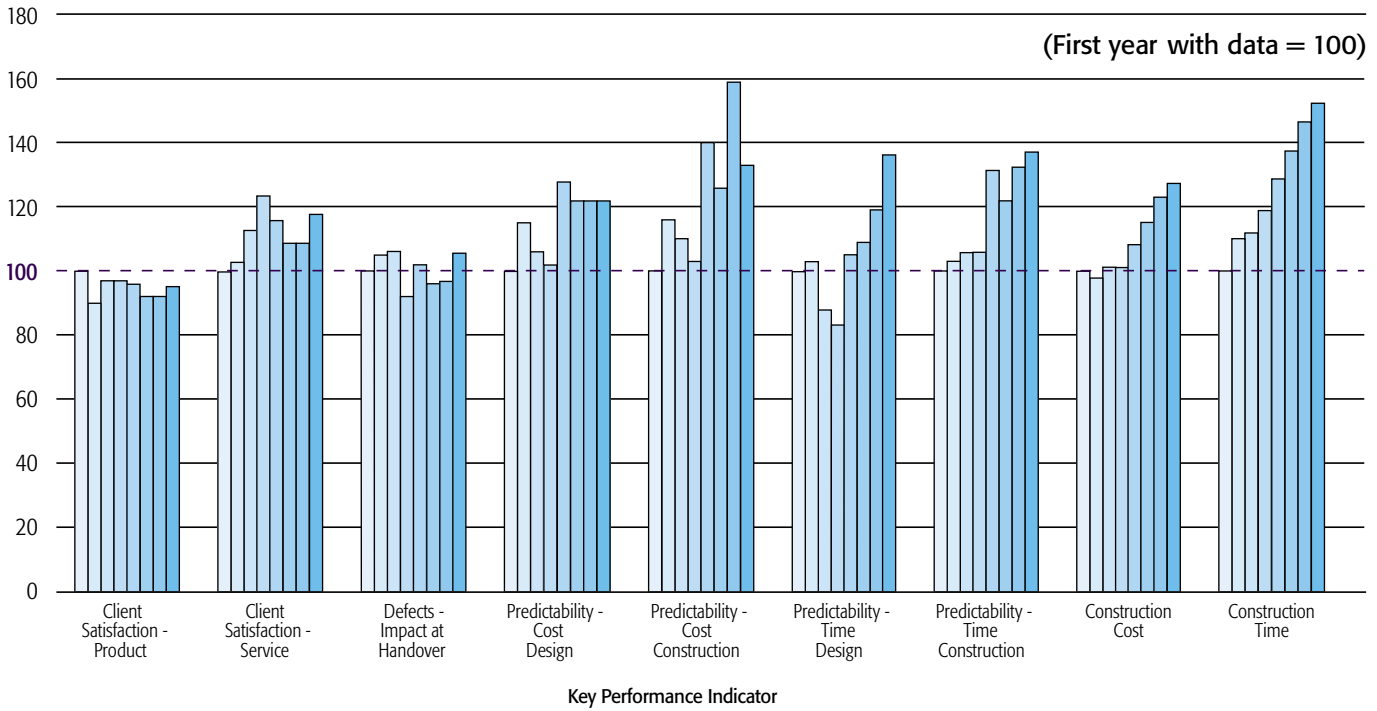
<sup>1</sup> Data not available before the first year shown

<sup>2</sup> Some of the CE data sets that show a 0% profit have been excluded as they are from the clients point of view and, therefore, no profit would be made.

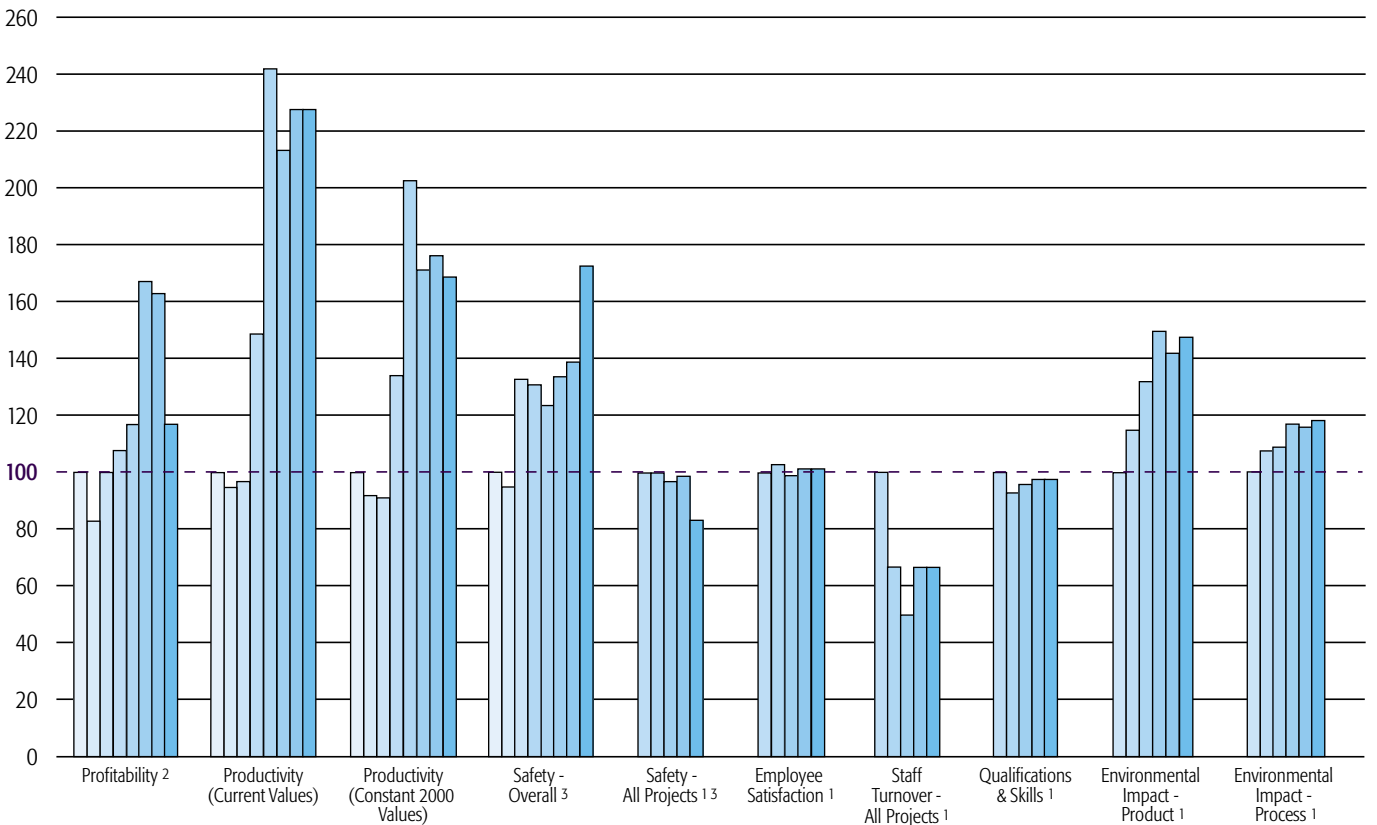
<sup>3</sup> CE safety data is project based while KPI safety data is company based.

2001 2002 2003 2004 2005 2006 2007 2008

(First year with data = 100)



Key Performance Indicator



Key Performance Indicator

# Constructing Excellence Demonstration Projects (contd.)

## Comparison with All Construction

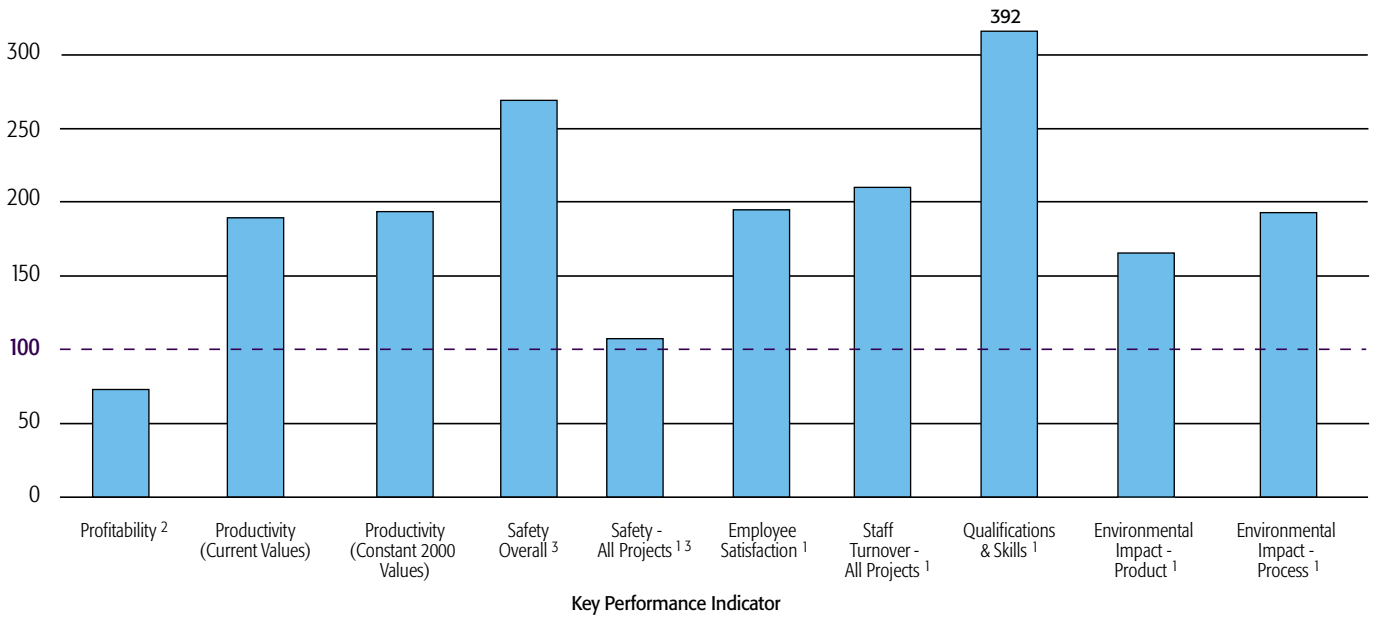
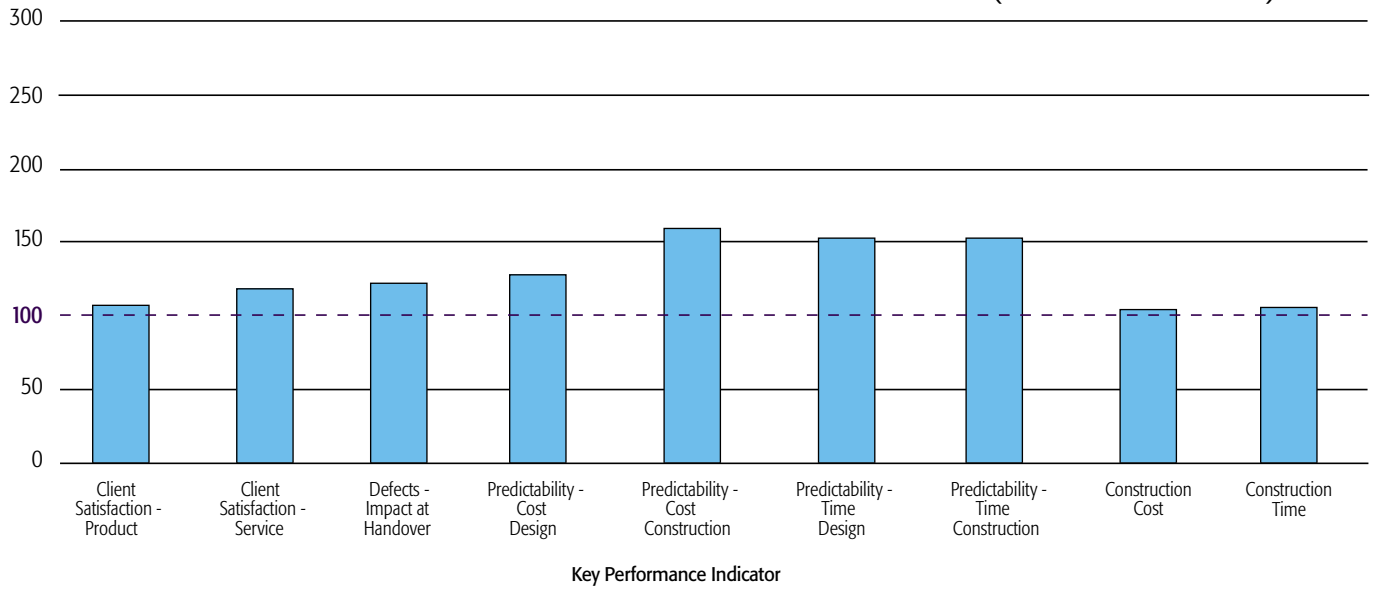
KPI	Measure	All Construction Performance 2008	All Constructing Excellence Performance 2008
<b>Economic KPIs:</b>			
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	<b>83%</b>	<b>88%</b>
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	<b>77%</b>	<b>90%</b>
<b>Defects - Impact at Handover</b>	% scoring 8/10 or better	<b>73%</b>	<b>87%</b>
<b>Predictability Cost - Design</b>	% on cost or better	<b>65%</b>	<b>82%</b>
<b>Predictability Cost - Construction</b>	% on cost or better	<b>48%</b>	<b>77%</b>
<b>Predictability Time - Design</b>	% on time or better	<b>58%</b>	<b>88%</b>
<b>Predictability Time - Construction</b>	% on time or better	<b>58%</b>	<b>89%</b>
<b>Construction Cost</b>	% change compared with one year ago	<b>1.7%</b>	<b>-4.1%</b>
<b>Construction Time</b>	% change compared with one year ago	<b>-0.5%</b>	<b>-5.6%</b>
<b>Profitability <sup>1</sup></b>	Median % profit before interest & tax	<b>9.6%</b>	<b>7.1%</b>
<b>Productivity (Current Values)</b>	Median value added / FTE employed (£000)	<b>45.5</b>	<b>84.5</b>
<b>Productivity (Constant 2000 Values)</b>	Median value added / FTE employed (£000)	<b>32.3</b>	<b>62.6</b>
<b>Respect for People KPIs:</b>			
<b>Safety - Overall <sup>2</sup></b>	Accident incidence rate	<b>865</b>	<b>330</b>
<b>Safety - All Projects <sup>2</sup></b>	% scoring zero accident incidence rate	<b>60%</b>	<b>65%</b>
<b>Employee Satisfaction</b>	% scoring 8/10 or better	<b>46%</b>	<b>90%</b>
<b>Staff Turnover - All Projects</b>	Median % staff turnover	<b>6.3%</b>	<b>3.0%</b>
<b>Qualifications &amp; Skills</b>	Median % of direct employees qualified to NVQ Level 2 or higher	<b>25%</b>	<b>98%</b>
<b>Environment KPIs:</b>			
<b>Environmental Impact - Product</b>	% scoring 8/10 or better	<b>55%</b>	<b>92%</b>
<b>Environmental Impact - Construction Process</b>	% scoring 8/10 or better	<b>48%</b>	<b>90%</b>

<sup>1</sup> Some of the CE data sets that show a 0% profit have been excluded as they are from the clients point of view and, therefore, no profit would be made.

<sup>2</sup> CE safety data is project based while KPI safety data is company based.



(All Construction = 100)



# Appendix

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The UK Construction Industry Key Performance Indicators (KPIs) have been published by Constructing Excellence every year since 1999 using data collected under the guidance of the Department for Business Enterprise and Regulatory Reform.

The Industry Performance Report summarises the trends in performance of the main sets of KPIs to show to what extent the industry is improving in key aspects of economic, social and environment performance. This information can be used by

government departments and organisations committed to driving industry performance forward to inform policy, and also by individual organisations to measure their rate of performance improvement against that of the wider industry.

Between 1999 and 2006, the Industry Performance Report was published in hard copy as part of the UK Construction Industry KPI Pack and UK Housing KPI Toolkit. Since 2007, publication of the KPIs has been on the KPIzone website ([www.kpizone.com](http://www.kpizone.com)). More details of KPIzone can be found on page 37.

# How to read the Data Tables and Graphs

The industry KPI performance is summarised into tables and graphs whose key features are summarised below:

**Economic KPIs - All Construction - Year on Year Comparisons**

KPI	Measure	Performance										Trend	
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Last Year	All Years
Client Satisfaction - Product	% scoring 8/10 or better	72%	73%	72%	73%	78%	80%	83%	84%	82%	83%	↑	↑
Client Satisfaction - Service	% scoring 8/10 or better	58%	63%	63%	65%	71%	74%	77%	79%	75%	77%	↑	↑
Client Satisfaction - Value for Money <sup>1</sup>	% scoring 8/10 or better	-	-	67%	69%	73%	74%	79%	80%	75%	75%	→→	↑
Contractor Satisfaction - Performance - Overall <sup>1</sup>	% scoring 8/10 or better	-	-	-	-	64%	65%	63%	62%	62%	62%	→→	→→
Contractor Satisfaction - Provision of Information - Overall <sup>1</sup>	% scoring 8/10 or better	-	-	-	-	57%	59%	58%	56%	56%	56%	→→	→→
Contractor Satisfaction - Payment - Overall <sup>1</sup>	% scoring 8/10 or better	-	-	-	-	67%	66%	65%	65%	63%	63%	→→	↓
Defects - Impact at Handover <sup>1</sup>	% scoring 8/10 or better	-	65%	53%	58%	68%	68%	72%	77%	73%	73%	→→	↑
Predictability Cost - Project <sup>1</sup>	% on cost or better	-	50%	46%	48%	52%	50%	48%	45%	46%	49%	↑↑	→→
Predictability Cost - Design	% on cost or better	65%	64%	63%	63%	65%	62%	63%	66%	64%	65%	↑	→→
Predictability Cost - Construction	% on cost or better	37%	45%	48%	50%	52%	49%	48%	44%	49%	48%	↓	↑
Predictability Time - Project <sup>1</sup>	% on time or better	-	28%	36%	42%	44%	44%	46%	44%	58%	45%	↓↓	↑↑
Predictability Time - Design	% on time or better	27%	37%	41%	46%	53%	55%	52%	57%	58%	58%	→→	↑↑
Predictability Time - Construction	% on time or better	34%	62%	59%	61%	59%	60%	62%	60%	65%	58%	↓↓	↑↑
Construction Cost	% change compared with one year ago	-3.0%	-2.0%	3.0%	2.0%	5.0%	1.1%	-0.8%	-0.8%	-3.8%	-1.7%	↑	→→
Construction Time <sup>1</sup>	% change compared with one year ago	-	3.0%	1.0%	4.0%	1.0%	-1.7%	1.3%	0.1%	0.3%	0.5%	→→	→→

<sup>1</sup> Data not available before the first year shown.

<sup>2</sup> The measure for this KPI was changed in 2000, 1999 data therefore 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 to past years and, where applicable, their results were revised.

<sup>3</sup> Current values are deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values.

<sup>4</sup> This KPI is 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".

<sup>5</sup> Data for this KPI was not available before 2002. This KPI is based on company annual accident incidence rates collected in the BERR Contractor Survey adjusted for under reporting.

KPI summary table

Explanatory notes

Trend between latest year and previous year's performance

Trend between latest year and first year data available

# How to read the Data Tables and Graphs (contd.)

The industry KPI performance is summarised into tables and graphs whose key features are summarised below:

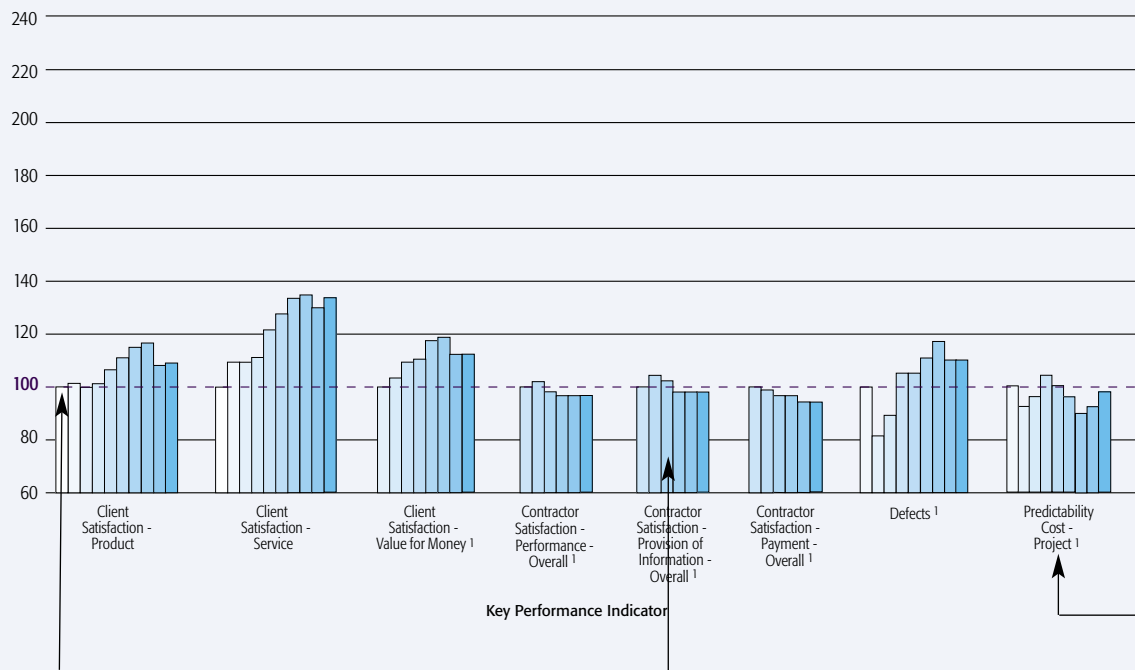
## KPI group trend graph

### Economic KPIs - All Construction - Performance over Eight Years to 2007

← KPI group and industry sector

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008

(First year with data = 100)



First year result is always indexed to 100

Subsequent year's data shows relative performance compared to first year of data. For example, a result of 120 represents a 20% improvement over the result of the first year. A result of 80 represents a 20% decline in performance

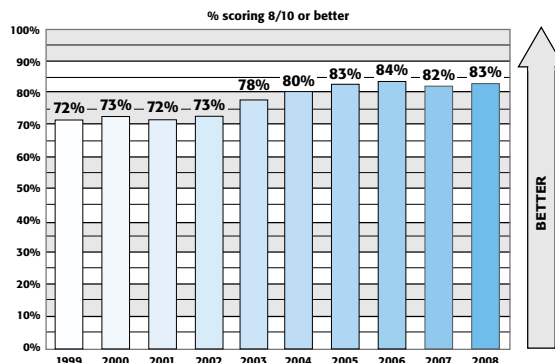
KPI name

### Client Satisfaction - Product

← KPI name

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

In 2008, 83% of projects were awarded 8 out of 10 or better compared with 82% in 2007. There has been a significant improvement over ten years, although performance has levelled off over the most recent four years.



Individual KPI trend graph

Brief commentary on KPI performance

KPI performance over each year

# Data Sources for the UK Construction Industry KPIs

<b>M&amp;E Contractors KPIs</b>  <i>Co-ordinated by BSRIA</i>	<b>Construction Consultants KPIs</b>  <i>Co-ordinated by the Association for Consulting and Engineering, the Royal Institution of British Architects, the Royal Institution of Chartered Surveyors, the Chartered Institute of Building, the Chartered Institute of Architectural Technologists, and the Chartered Institution of Building Services Engineers.</i>	<b>Construction Products Industry KPIs</b>  <i>Co-ordinated by Construction Products Association</i>	<b>Demonstration Projects</b>  <i>Co-ordinated by Constructing Excellence</i>
Annual survey of M&E clients	Annual survey of clients	Annual survey of customers (main contractors, specialist contractors, architects and construction clients)	Data submitted by Constructing Excellence Demonstration Projects
Annual survey of M&E contractors	Annual survey of consultancy firms	Annual survey of construction products manufacturers.	

## Data Sources (contd.)

Economic KPIs	Data Source (see below)	Respect for People KPIs	Data Source (see below)	Environment KPIs	Data Source (see below)
Client Satisfaction - Product	1,6	Employee Satisfaction	5	Impact on the Environment	1,6
Client Satisfaction - Service	1,6	Staff Turnover	2	Energy Use (Designed) - Product	1,6
Contractor Satisfaction	2	Sickness/Absence	2	Energy Use - Construction Process	2
Defects	1,6	Safety	2,9	Mains Water Use (Designed) - Product	1,6
Predictability - Cost	1,6	Working Hours	10	Mains Water Use - Construction Process	2
Predictability - Time	1,6	Qualifications & Skills	2	Waste	2
Safety	2,9	Equality & Diversity	1,6	Commercial Vehicle Movements	2
Productivity	8	Training	2	Impact on Biodiversity	1,6
Profitability	8	Pay	11	Area of Habitat Created/Retained	1,6
Construction Cost	4,7	Investors in People	12	Whole Life Performance	1,6
Construction Time	3				

The data sources referred to in the table above are:

1. BERR Quarterly Clients' KPI Survey
2. BERR Quarterly Contractor KPI Survey
3. BERR New Orders Survey
4. BERR Quarterly Building Price & Cost Indices
5. BERR Annual Employee Satisfaction Survey
6. BCIS Annual Clients' KPI Survey
7. BCIS Quarterly Review of Building Prices
8. Dun and Bradstreet, Intercompany Comparisons, and Companies House supplied by pH Group Ltd
9. Health & Safety Executive
10. Office for National Statistics - Labour Force Survey
11. Office for National Statistics - Annual Survey of Hours and Earnings
12. Investors in People UK Ltd

# About Constructing Excellence

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

## Helpdesk

A direct point of contact to answer initial enquiries about KPIs.  
**Tel 0845 605 55 56**

## KPIZone Website

KPIZone is an on-line management tool that provides a straight forward step-by-step process to help companies and organisations from all sectors of the construction industry to choose KPIs, and benchmark performance.

KPIZone makes benchmarking easy, helping you create your own KPI handbook, store and retrieve data and produce and print a comprehensive report of your performance results.

For further information visit [www.kpizone.com](http://www.kpizone.com).

## KPI Masterclasses

An introduction to the benefits and use of the Construction Industry KPIs. Each Masterclass explores the importance of measuring performance with the help of practical examples, a step by step guide to their use, and case studies of organisations that have successfully implemented KPIs.

## Website

An extensive database of best practice activities, information and resources is available on [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.

## 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
- Complimentary introductory Explorer Interactive™ business diagnostic session
- 20% discount on KPI Masterclasses

## 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
- Invitations to speak as an acknowledged industry leader at Constructing Excellence events

## Leadership and Influence:

Constructing Excellence works closely with government, strategic partners, firms 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.



**CONSTRUCTING  
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