



# UK Industry Performance Report

Based on the UK Construction  
Industry Key Performance Indicators

# 2009

Headline Sponsor:



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# 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 2009, the members of the Group were:



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# Executive Summary

This is the eleventh 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.

Overall, the results show some of the effects to be expected as the industry moves from a period of sustained growth into recession. 59% of the headline KPIs showed improvement, 13% were level, and 28% showed a decline in performance. Overall the rate of improvement has slowed down in recent years.

## Economic indicators

The industry showed improvement in three quarters of the areas measured by the headline Economic All Construction KPIs. This continues a trend seen over the preceding eleven years. This year, seven KPIs showed better performance, one was level, and two (cost predictability and safety) worsened. Safety performance declined slightly but there have been small improvements in the levels of client satisfaction, and productivity and profitability have risen. The cost and time predictability KPIs show that the underlying causes of variability are still entrenched in the industry.

## Environmental indicators

This year's Environment KPIs reveal a mixed picture for the industry's performance (seven showing improvement and five worsening), suggesting that the industry is making patchy progress in this vital area. Client perception of how much care is being taken for the environment during the construction phase generally moved ahead this year, and there was a reduction in waste transported off site.

## People indicators

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

Employee satisfaction declined again slightly this year, but employee turnover reduced. Pay levels continued to move upwards, and there was a slight improvement in training, although the median remains low at 1.1 days per employee per year.

## Housing

Client satisfaction fell this year, with client satisfaction with the product down to 84% (86% in 2008). Client Satisfaction - service fell to 79% (84% in 2008) and defects scores worsened to 76% (80% in 2008). Cost predictability improved but time predictability worsened slightly, and profitability leveled off at 8.8%. Productivity drifted down fractionally (£50.0k value added per employee in 2009, compared with £53.3k in 2008), and the inflation adjusted figure declined slightly too (£39.8k in 2009 compared with £42.1k in 2008).

## Consultants

Overall, client satisfaction has improved since 2002, but this has levelled off over the past three years. This year client satisfaction remained more or less static. Training days per employee was reported at 2.0 days per employee (last year 1.5 days per year), and there were increases in profitability (from 13.3% to 14.8%) and productivity rose from £46,100 per employee last year to £48,700.

## M&E Contractors

Client satisfaction in the M&E sector levelled off this year, although the overall trend since 2001 has been generally positive. For the fifth year in a row, M&E Contractors' safety performance showed an improvement, with 55% of all companies achieving zero reportable accidents (50% in 2008), and 25% of larger (60+ employees) companies achieving zero accidents too (24% in 2008). Defects performance improved very slightly from 68% last year to 69% this year, while cost and time predictability remained fairly static. Median profitability declined slightly to 3.9% (down from 4.1% last year), and productivity declined from £55.7k value-added per employee to £53.9k.

## Construction Products

Data collection in 2008 was restricted to measuring customer satisfaction.. Three out of the five KPIs showed record high levels of performance. Customer satisfaction with product quality reached an all-time high (82% compared with 77% last year). Delivery reliability was also at a record level (72% compared to 62% last year). After sales service also recorded a jump to its highest level of 72%. Value for money ratings remained unchanged at 50%, and sales advice ratings were only 36%.

## 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 project cost predictability hitting 88% compared to 48% for the industry as a whole. Project time predictability shows a similar performance gap, with demonstration projects recording 90% against the industry's 45%. Demonstration sites continue to be safer places to work, with a mean accident incidence rate of 317 compared to the industry figure of 906.

# Economic KPIs – All Construction

## Year-on-Year Comparisons

KPI	Measure	Performance											Trend	
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	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>86%</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>84%</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>82%</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>64%</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>59%</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>67%</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>77%</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>48%</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>61%</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>46%</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>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>53%</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>59%</b>	↑	↑↑
<b>Construction Cost <sup>1</sup></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>-4.3%</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>	<b>-3.9%</b>	↑	→←



KPI	Measure	Performance											Trend	
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Last Year	All Years
<b>Profitability <sup>2</sup></b>	Median % profit before interest & tax	-	4.4%	5.1%	5.2%	5.4%	7.0%	8.1%	7.9%	8.2%	9.6%	9.9%	↑	↑↑
<b>Productivity (VAPH Current Values) <sup>2</sup></b>	Median value added/ FTE employee (£000)	-	27.0	28.0	28.0	31.1	32.6	34.2	38.2	42.0	45.5	46.2	↑	↑↑
<b>Productivity (VAPH Constant 2000 Values) <sup>2 3</sup></b>	Median value added/ FTE employee (£000)	-	27.0	26.8	26.0	27.9	28.2	27.5	29.3	31.2	32.3	33.0	↑	↑
<b>Gross Productivity (TOPH) <sup>2</sup></b>	Median turnover/ FTE employee (£000)	-	59.0	58.0	51.0	54.0	58.3	59.7	58.9	57.5	54.4	57.0	↑	→←
<b>Return on Value Added (ROVA) <sup>2</sup></b>	Median % PBIT/ value added	-	18.9%	20.2%	21.1%	16.8%	18.3%	15.8%	20.5%	21.4%	22.4%	24.1%	↑↑	↑
<b>Return on Capital Employed (ROCE) <sup>2</sup></b>	Median % PBIT/ capital employed	-	17.9%	24.8%	21.6%	28.9%	34.3%	41.3%	36.2%	37.6%	39.8%	47.4%	↑↑	↑↑
<b>Safety - Industry <sup>4</sup></b>	Accident incidence rate	1354	1271	1318	1217	1097	1172	1023	901	946	865	906	↓	↑
<b>Safety - Contractors - All Companies <sup>5</sup></b>	% achieving zero accident incidence rate	-	-	-	31%	39%	42%	50%	51%	62%	60%	63%	↑↑	↑↑

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".

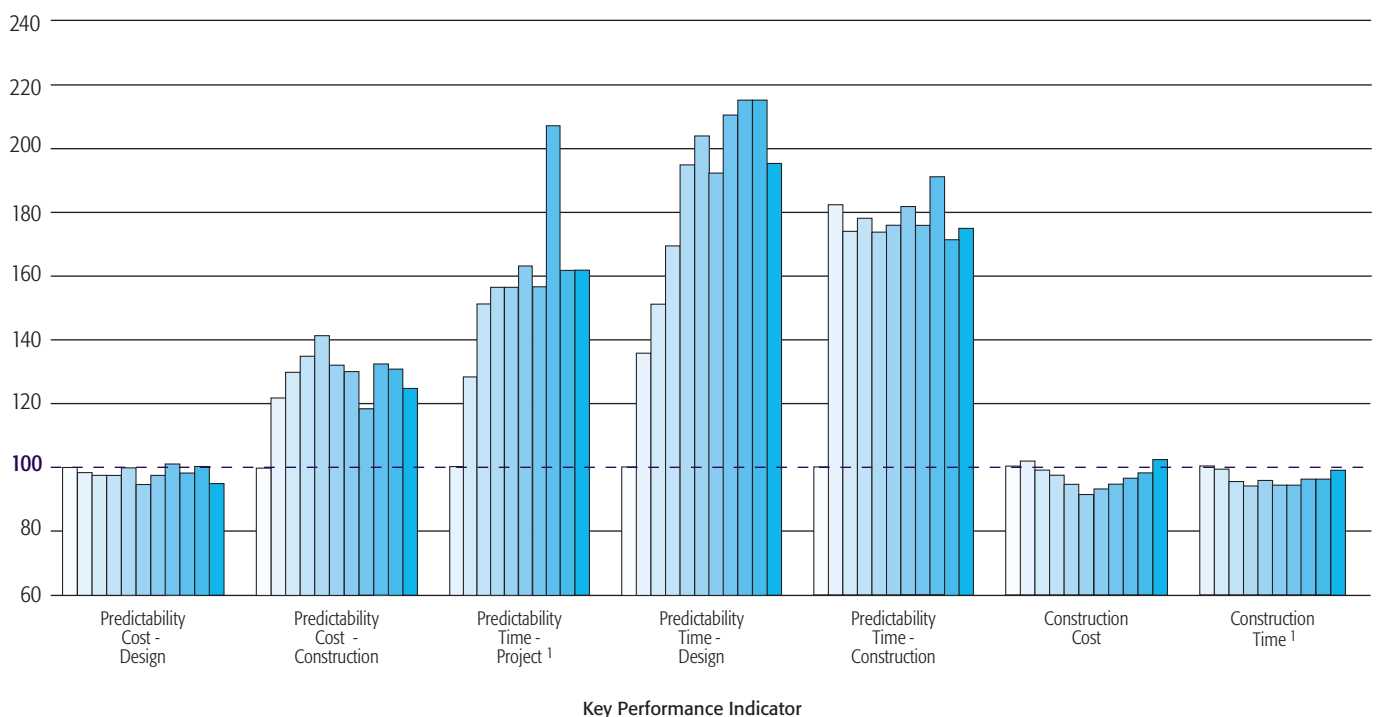
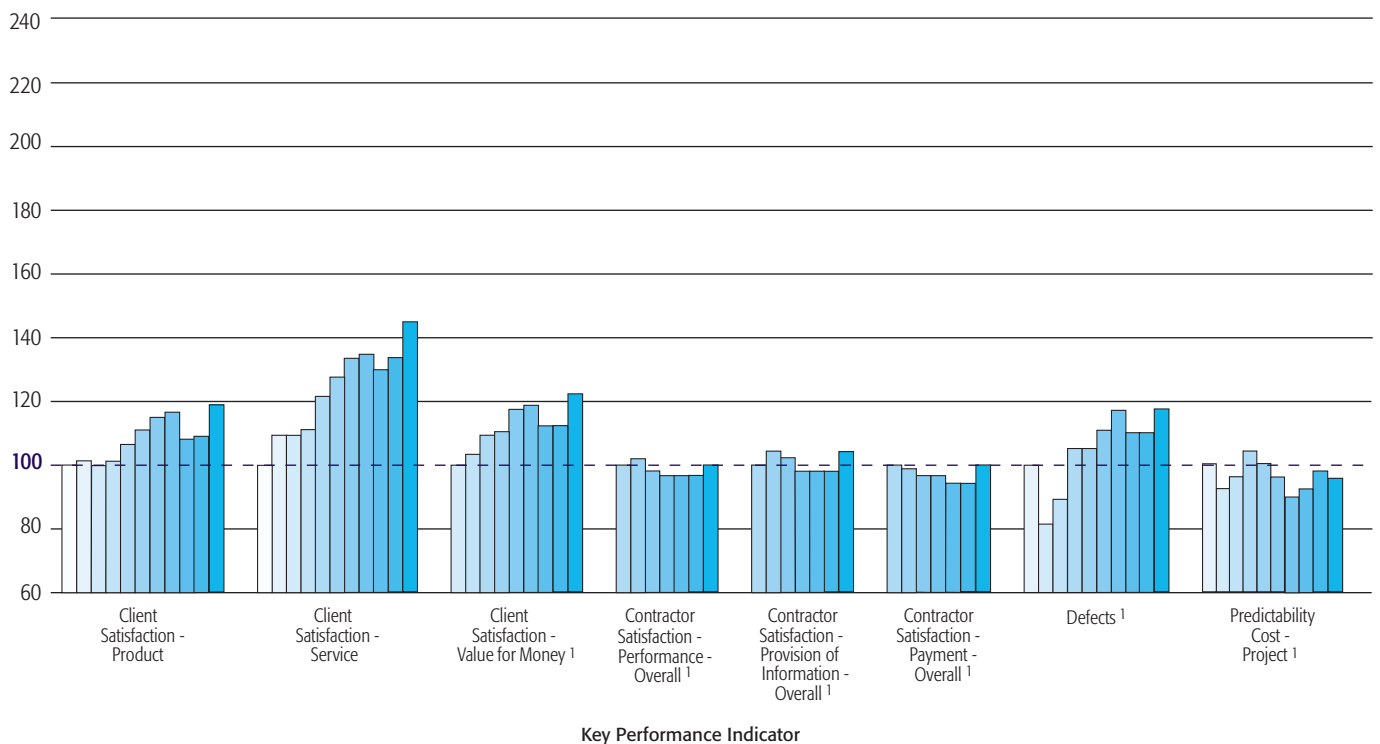
5 Data for this KPI was not available before 2002. This KPI is based on company annual accident incidence rates collected in the BERR Contractor Survey adjusted for under reporting.

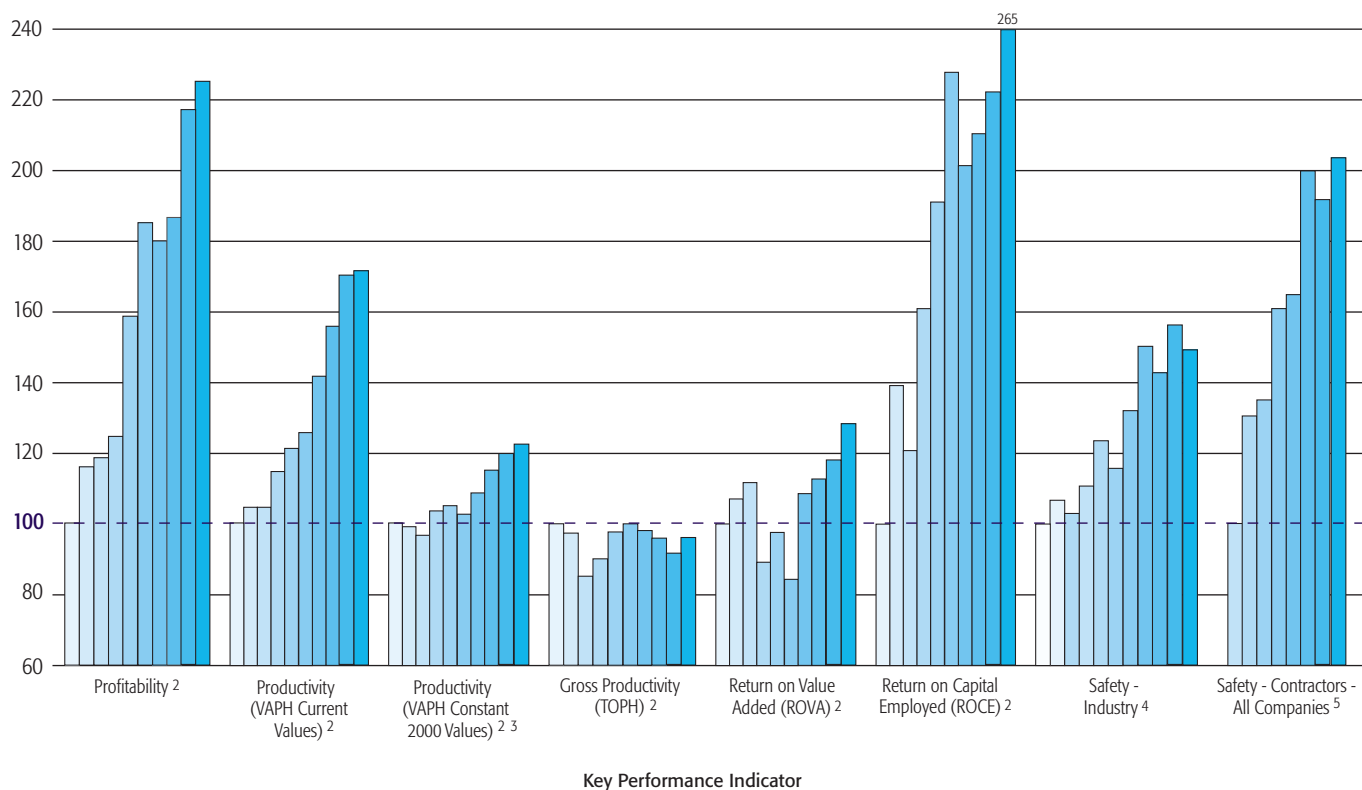
# Economic KPIs – All Construction

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

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

(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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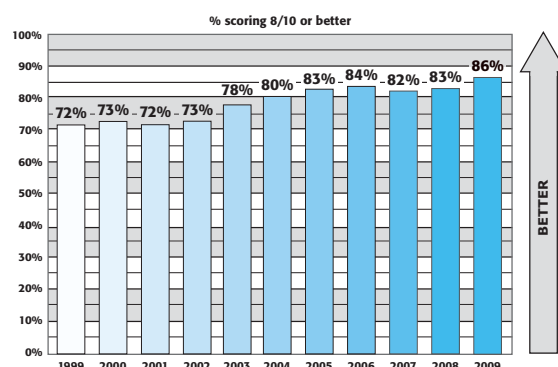
# Economic KPIs – All Construction

## 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.

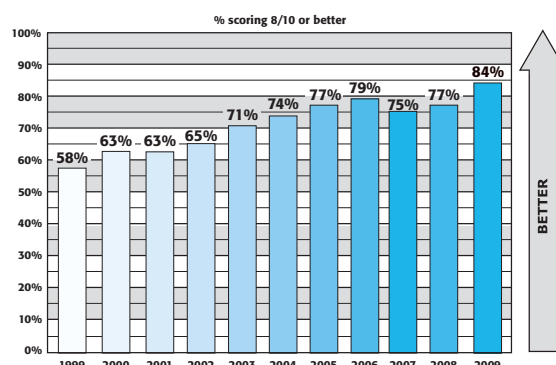
After levelling off between 2005 and 2008, there was a strong improvement in 2009 to an all-time high of 86% of projects scoring 8 out of 10 or better.



### 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.

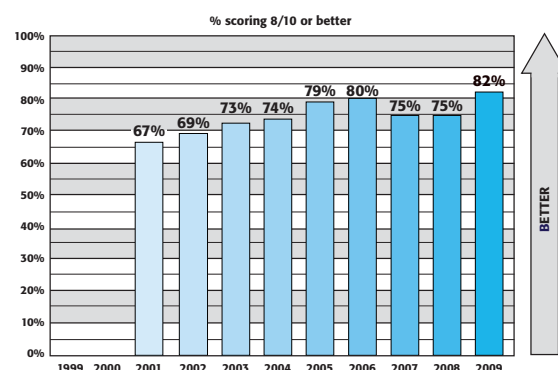
After levelling off between 2005 and 2008, there was a strong improvement in 2009 to an all-time high of 84% of projects scoring 8 out of 10 or better.



### 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 2009, performance rose to an all-time high of 82% achieving 8 out of 10 or better, reversing the downward trend of the last two years.



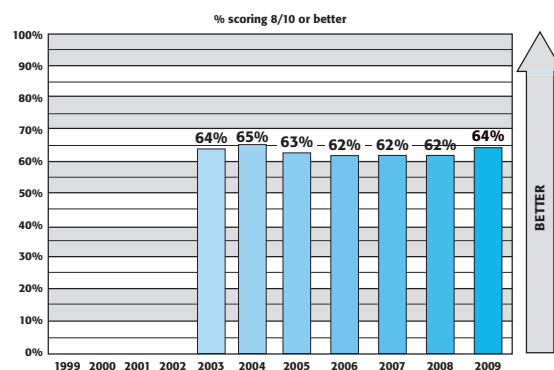
Data not available before the first year shown.



## 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 2009, 64% of contractors awarded 8 out of 10 or better. This is unchanged since last year and over six years.

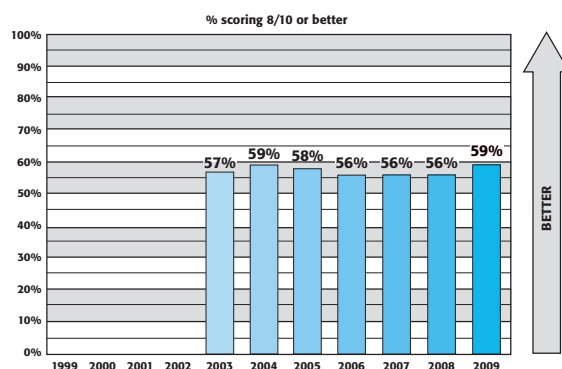


Data not available before the first year shown.

## 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 2009, 59% of contractors awarded 8 out of 10 or better. This is a slight improvement since last year but almost unchanged over six years.

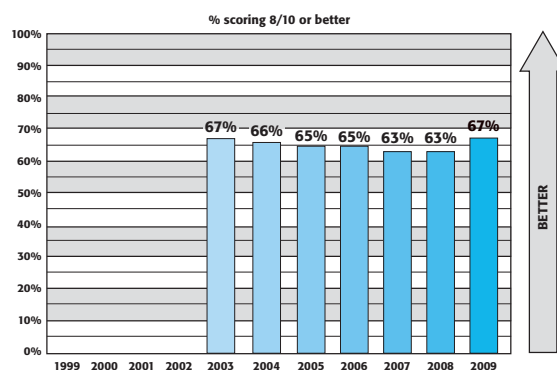


Data not available before the first year shown.

## 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 2009, 67% of contractors awarded 8 out of 10 or better. This is an improvement on last year, but there has been no improvement over seven years.

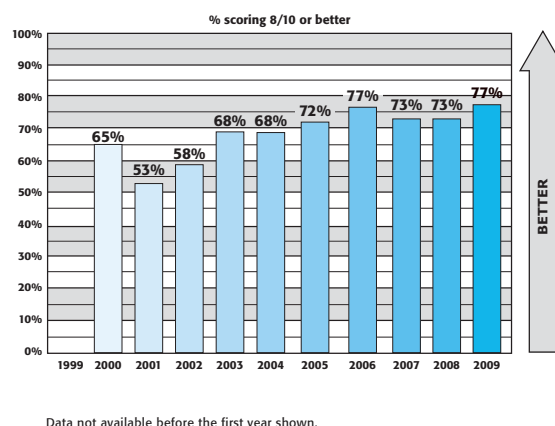


Data not available before the first year shown.

## 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.

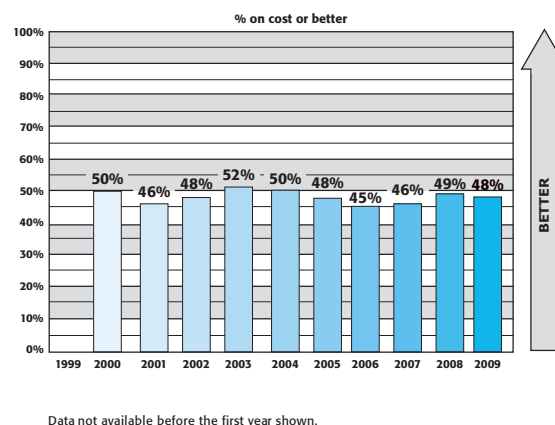
In 2009, 77% of projects achieved 8 out of 10 or better, an improvement on last year, equalling the highest performance measured over ten years.



## 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).

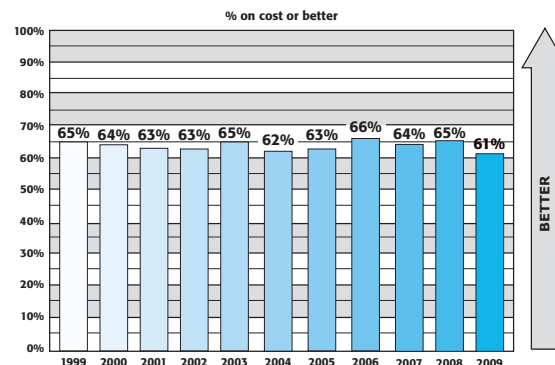
In 2009, 48% of projects delivered on target or better, compared with 49% in 2008. This represents a slight decline in performance this year and virtually unchanged performance over nine years.



## 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.

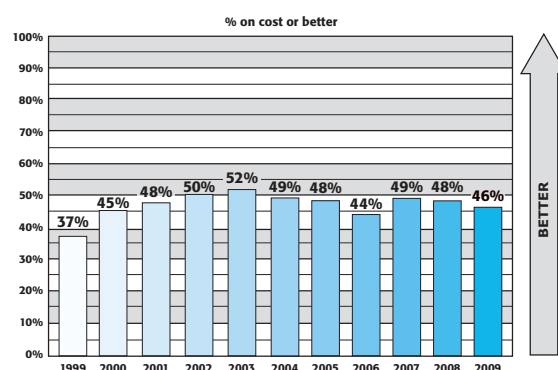
In 2009, 61% of projects delivered on target or better compared with 65% in 2008. This is a significant decline in performance this year, and an overall slight decline over eleven years.



## 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.

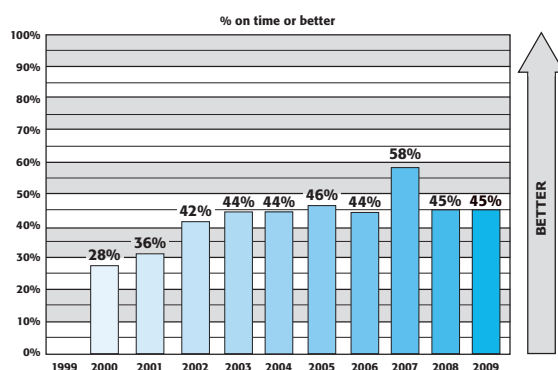
In 2009, 46% of projects delivered on target or better compared with 48% in 2008. This represents a slight decline in performance this year but virtually unchanged performance over ten years.



## 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 2009, 45% of projects delivered on target or better, the same as in 2008. Over ten years there has been significant improvement, but this has levelled off over the most recent years.

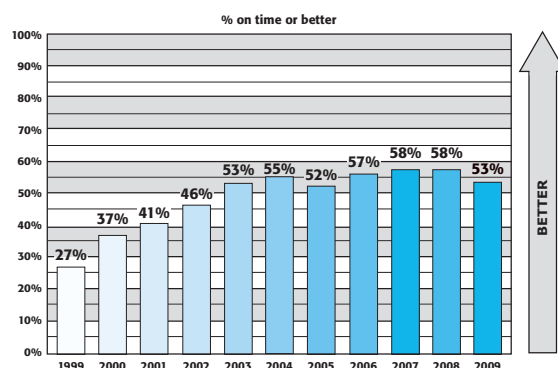


Data not available before the first year shown.

## 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.

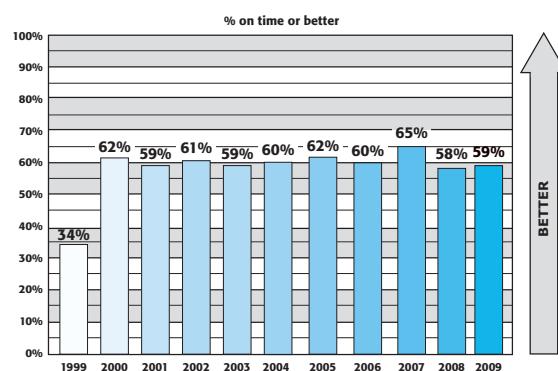
In 2009, 53% of projects delivered on target or better compared with 58% in 2008. This represents a significant decline in performance this year. The improvement in performance from 1999 to 2003 has now levelled off.



## 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.

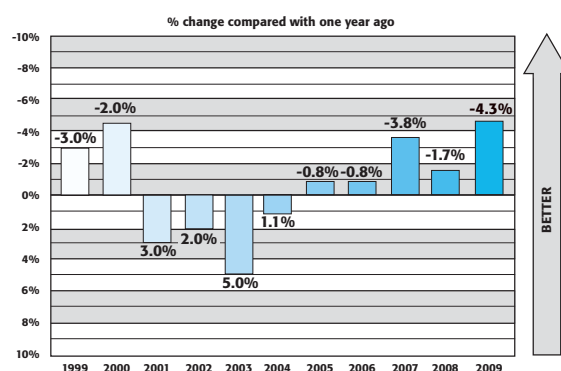
In 2009, 59% of projects delivered on programme or better, compared with 58% in 2008. Over the past ten years there has been a slight decline in performance.



## 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.

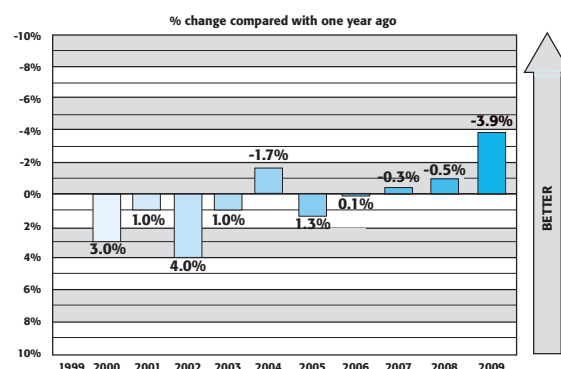
Analysis of this data shows that construction costs in 2008 fell in absolute terms by 4.3% compared with 2008. This is an improvement over last year but a virtually unchanged performance over eleven years.



## 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 2009 were 3.9% better on average than in 2008. This is an improvement this year, but virtually unchanged performance over ten years.

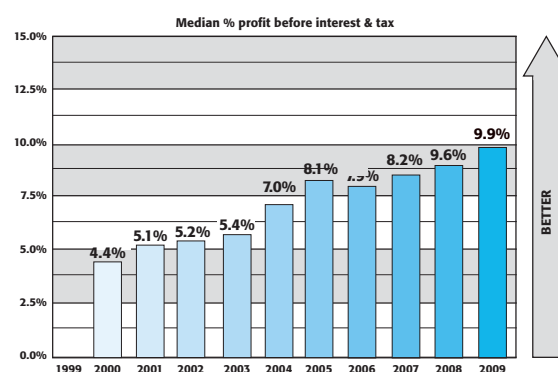


Data not available before the first year shown.

## 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 2009, the median profitability before tax and interest was 9.9%, compared with 9.6% in 2008. This represents a small improvement in performance this year and there has been a significant improvement over ten years.

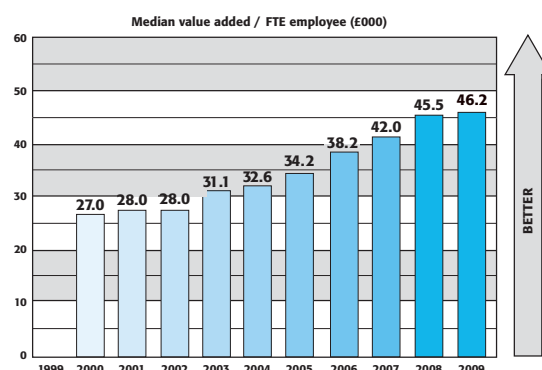


The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This 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 2009, the median value added per employee was £46.2k compared to £45.5k in 2008. This represents a significant improvement in performance this year and over ten years.

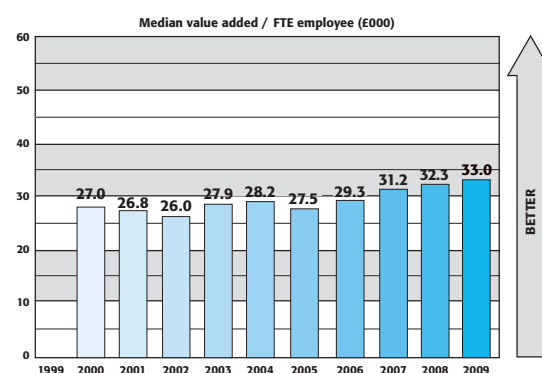


The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This 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 2009, the median value added per employee (adjusted) was £33.0k compared to £32.3k in 2008. This represents a slight improvement in performance this year and over ten years.



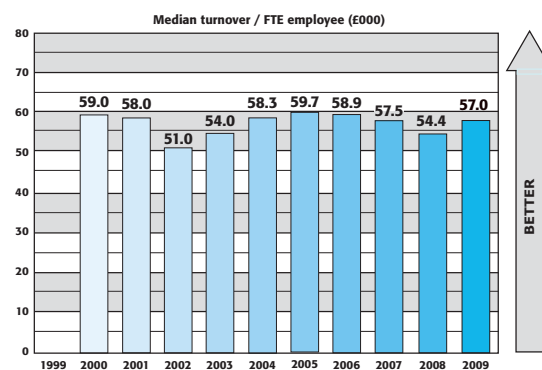
The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This 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 2009, the median gross turnover per employee was £57.0k compared to £54.4k in 2008. This represents a slight improvement in performance this year but virtually unchanged over ten years.

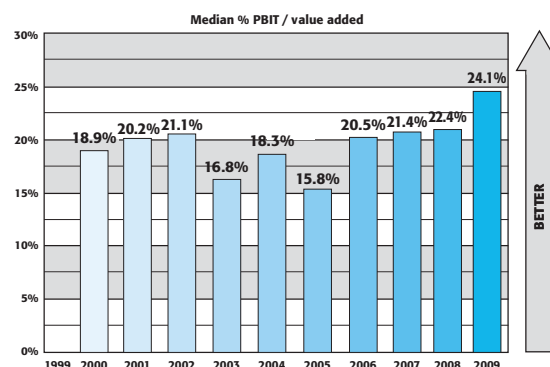


The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This 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 2009, the median return on value added was 24.1% compared to 22.4% in 2008. This represents a significant improvement in performance this year and over ten years.

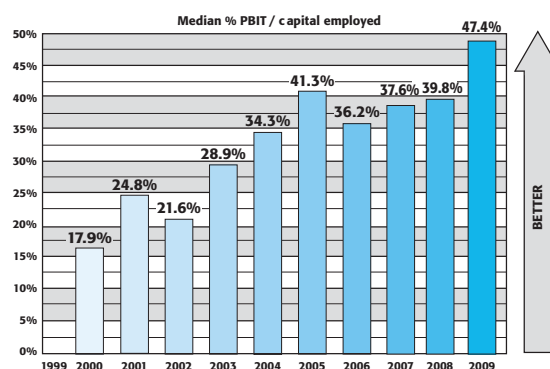


The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This 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 2009, the median return on capital employed was 47.4% compared to 39.8% in 2008. This represents a significant improvement in performance this year and over ten years.



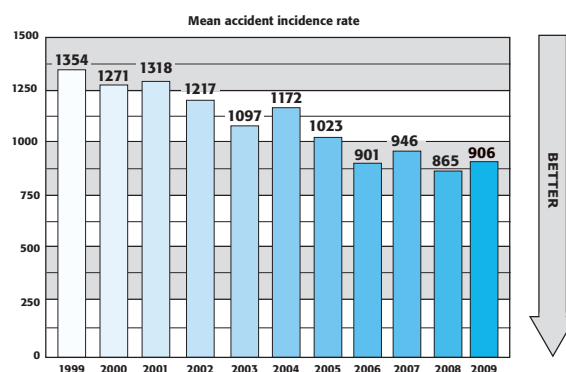
The measure for this KPI was changed in 2000, 1999 data therefore not reported. In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This 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 2008/09 indicates an accident incidence rate of 906 reportable accidents per 100,000 employed. The equivalent figure for 2007/08 was 865.

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

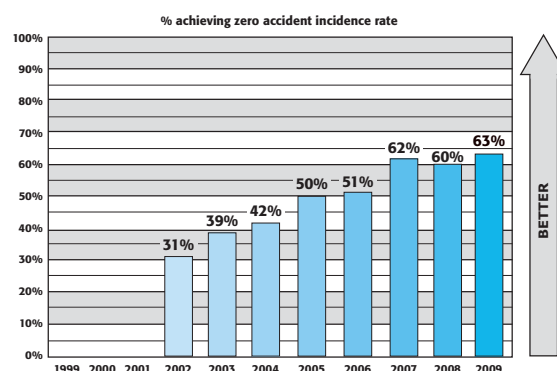


This KPI is based on company annual accident incidence rate published by the Health & Safety Executive on its website at Table 1 "Injuries in GB by Industry and Severity of Injury as reported to all Enforcing Authorities".

## 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 2009, 63% of companies reported a zero accident incidence rate compared with 60% in 2008. This represents a slight improvement in performance this year and over eight 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

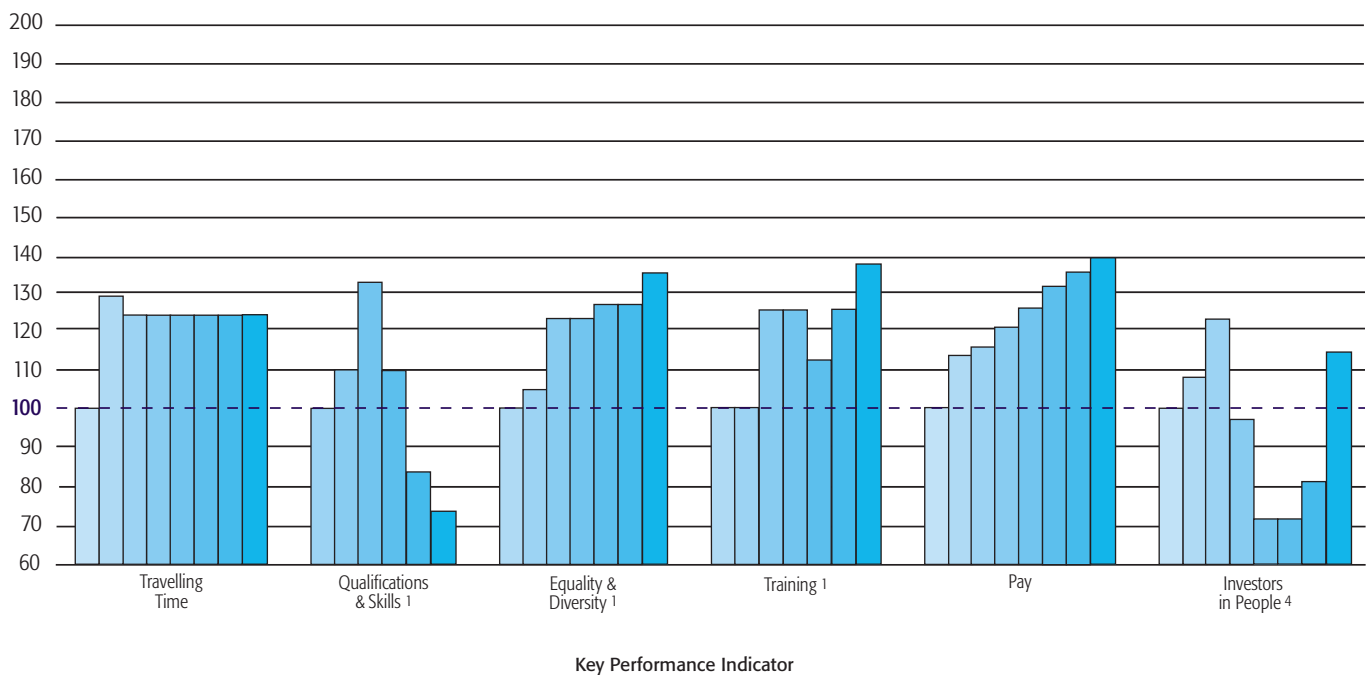
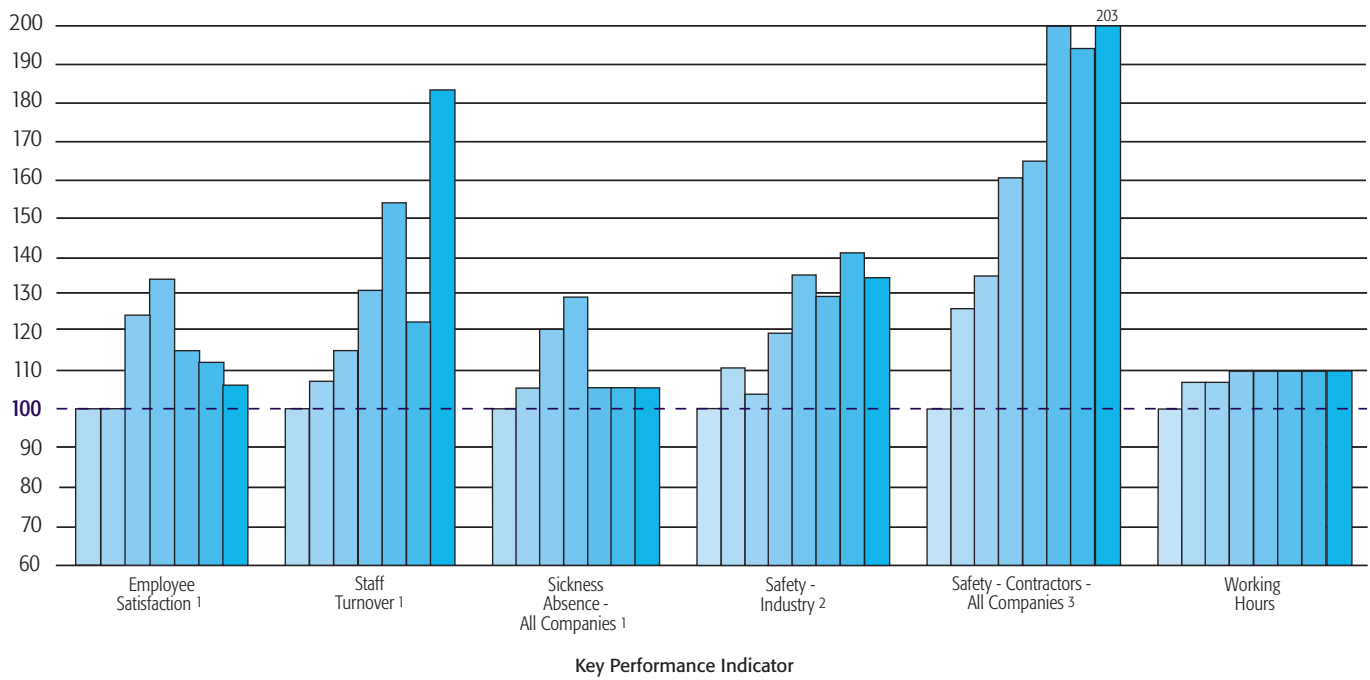
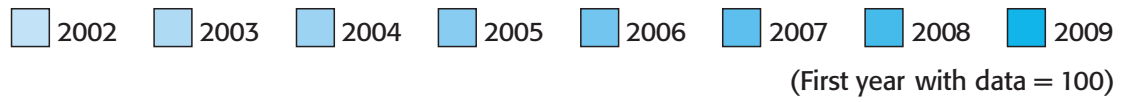
KPI	Measure	Performance								Trend	
		2002	2003	2004	2005	2006	2007	2008	2009	Last Year	All Years
<b>Employee Satisfaction</b> <sup>1</sup>	% scoring 8/10 or better	-	41%	41%	51%	55%	47%	46%	44%	↓	↑
<b>Staff Turnover - All Companies</b> <sup>1</sup>	Median % staff turnover	-	7.7%	7.1%	6.7%	5.9%	5.0%	6.3%	4.2%	↑↑	↑↑
<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	1.7	→←	→←
<b>Safety - Industry</b> <sup>2</sup>	Accident incidence rate	1217	1097	1172	1023	901	946	865	906	↓	↑
<b>Safety - Contractors All companies</b> <sup>3</sup>	% achieving zero accident incidence rate	31%	39%	42%	50%	51%	62%	60%	63%	↑↑	↑↑
<b>Working Hours</b>	Median usual hours worked / week	44	41	41	40	40	40	40	40	→←	↑
<b>Travelling Time</b>	Median travel time to work / day (mins)	31	24	25	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%	22%	↓↓	↓↓
<b>Equality &amp; Diversity</b> <sup>1</sup>	% scoring 8/10 or better	-	44%	46%	54%	54%	56%	56%	60%	↑↑	↑↑
<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	1.1	↑↑	↑↑
<b>Pay</b>	Median gross weekly earnings (£)	365	414	425	441	460	481	495	512	↑	↑↑
<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%	17.6%	↑↑	↑

<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.



# Environment KPIs – All Construction

## Year-on-Year Comparisons

KPI	Measure	Performance							Trend	
		2003	2004	2005	2006	2007	2008	2009	Last Year	All Years
Product Performance -										
Impact on the Environment	% scoring 8/10 or better	28%	32%	53%	54%	51%	55%	64%	↑↑	↑↑
Impact on Biodiversity	% scoring 8/10 or better	34%	28%	33%	36%	34%	35%	31%	↓↓	↓
Whole Life Performance	% scoring 8/10 or better	29%	35%	41%	41%	39%	35%	44%	↑↑	↑↑
Energy Use (Designed)	Median energy use kgCO <sub>2</sub> / 100m <sup>2</sup> gross floor area	4414	4295	4291	3729	3775	4474	4539	↓	→←
Energy Use (Designed) - Housing SAP Rating <sup>1 2 3 4</sup>	Median SAP2001 rating	-	90	95	97	100	100	-	-	-
Energy Use (Designed) - Housing SAP Rating <sup>1 3</sup>	Median SAP2005 rating	-	-	-	-	-	-	82	-	-
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	52.0	90.4	80.0	49.5	↑↑	↑↑
Area of Habitat - Created/Retained <sup>1</sup>	% when no change or an increase in area of habitat	-	84%	76%	83%	78%	80%	82%	↑	→←
Construction Process Performance -										
Impact on the Environment	% scoring 8/10 or better	51%	56%	44%	45%	44%	48%	49%	↑	→←
Impact on Biodiversity	% scoring 8/10 or better	35%	39%	45%	48%	46%	49%	47%	↓	↑↑
Energy Use (Current Values)	Median energy use kgCO <sub>2</sub> / £100k project value	288	322	293	293	273	192	241	↓↓	↑
Energy Use (Constant 2003 Values) <sup>5</sup>	Median energy use kgCO <sub>2</sub> / £100k project value	288	335	327	343	331	243	303	↓↓	→←
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	↑↑	↑
Mains Water Use (Constant 2003 Values) <sup>5</sup>	Median water use m <sup>3</sup> / £100k project value	7.5	10.1	9.2	10.4	9.9	9.0	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	→←	↑
Waste (Constant 2003 Values) <sup>5</sup>	Median waste removed from site m <sup>3</sup> / £100k project value	43.5	48.9	46.5	43.4	47.3	46.7	46.0	↑	→←
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	↓↓	↑↑
Commercial Vehicle Movements (Constant 2003 Values) <sup>5</sup>	Median movements onto site / £100k project value	44.0	35.8	32.8	35.6	35.6	33.5	35.6	↓↓	↑

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

<sup>2</sup> Data not available after 2008.

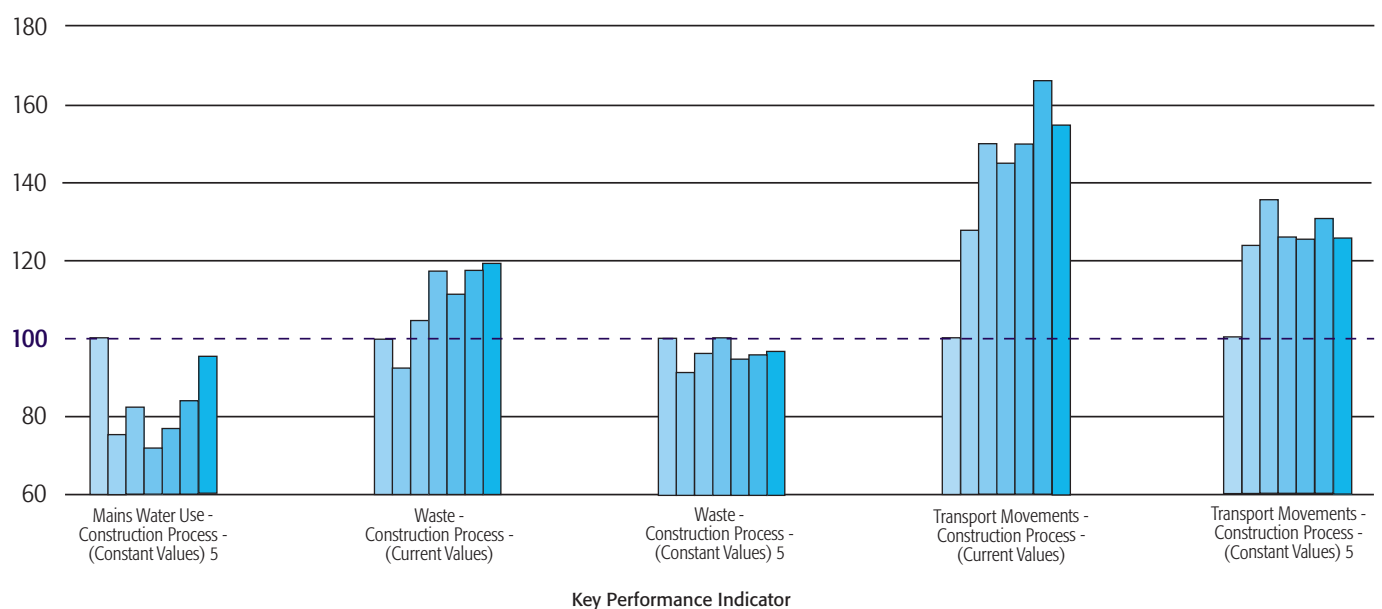
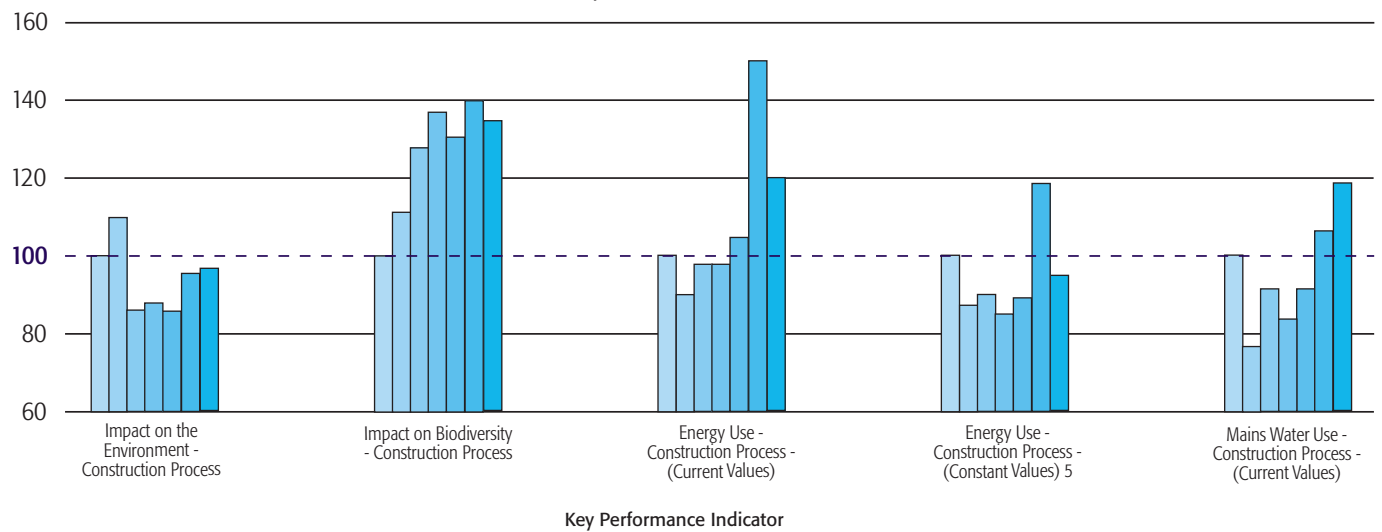
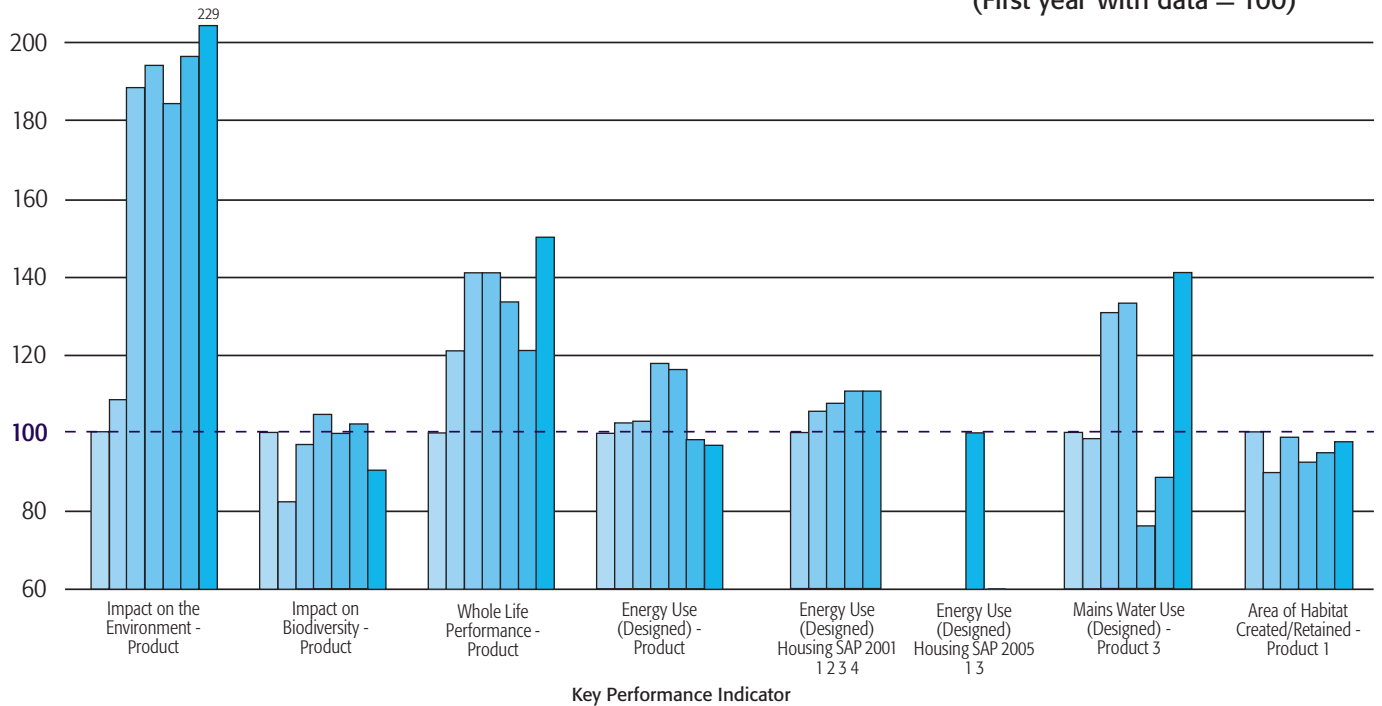
<sup>3</sup> Limited data use with caution.

<sup>4</sup> Insufficient data to publish a result in 2008. The 2007 result used for 2008.

<sup>5</sup> Current values are delated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values.

2003 2004 2005 2006 2007 2008 2009

(First year with data = 100)



# Economic KPIs – All Housing

## Year-on-Year Comparisons

KPI	Measure	Performance							Trend	
		2003	2004	2005	2006	2007	2008	2009	Last Year	All Years
Client Satisfaction - Product	% scoring 8/10 or better	81%	86%	87%	81%	83%	86%	84%	↓	→ ←
Client Satisfaction - Service	% scoring 8/10 or better	74%	80%	80%	78%	74%	84%	79%	↓↓	↑
Defects - Impact at Handover	% scoring 8/10 or better	73%	78%	78%	82%	74%	80%	76%	↓↓	→ ←
Predictability Cost - Project	% on cost or better	49%	60%	45%	43%	48%	40%	51%	↑↑	→ ←
Predictability Cost - Design	% on cost or better	66%	66%	67%	67%	66%	71%	65%	↓↓	→ ←
Predictability Cost - Construction	% on cost or better	48%	56%	49%	46%	56%	44%	50%	↑↑	→ ←
Predictability Time - Project	% on time or better	46%	49%	44%	42%	46%	43%	40%	↓↓	↓
Predictability Time - Design	% on time or better	51%	55%	51%	53%	58%	56%	55%	↓	↑
Predictability Time - Construction	% on time or better	62%	62%	56%	57%	59%	54%	48%	↓↓	↓
Construction Cost	% change compared with one year ago	0.3%	2.0%	1.0%	-2.1%	1.8%	-0.8%	-0.5%	→ ←	→ ←
Construction Time	% change compared with one year ago	-1.8%	-2.3%	2.2%	0.8%	1.0%	-1.3%	-4.9%	↑	→ ←
Profitability <sup>1</sup>	Median % profit before interest & tax	5.5%	7.7%	8.9%	8.5%	7.1%	8.8%	8.8%	→ ←	↑↑
Productivity (Current Values) <sup>1</sup>	Median value added/ FTE employee (£000)	32.0	31.9	36.6	47.8	54.0	53.3	50.0	↓↓	↑↑
Productivity (Constant 2003 Values) <sup>1 2</sup>	Median value added/ FTE employee (£000)	32.0	30.7	32.8	40.8	44.6	42.1	39.8	↓↓	↑
Safety - Industry <sup>3</sup>	Accident incidence rate	1097	1172	1023	901	946	865	906	↓	↑
Safety - Contractors - All Companies <sup>4</sup>	% achieving zero accident incidence rate	39%	42%	50%	51%	62%	60%	63%	↑↑	↑↑

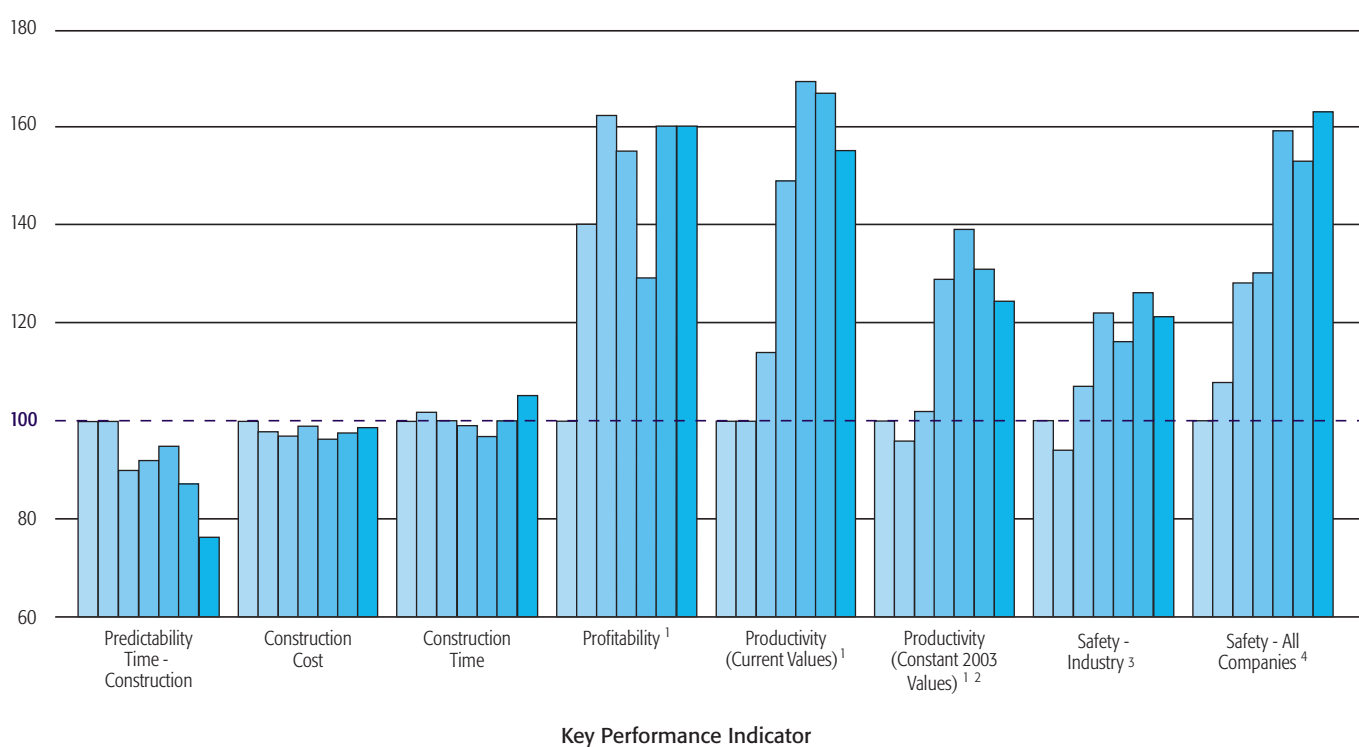
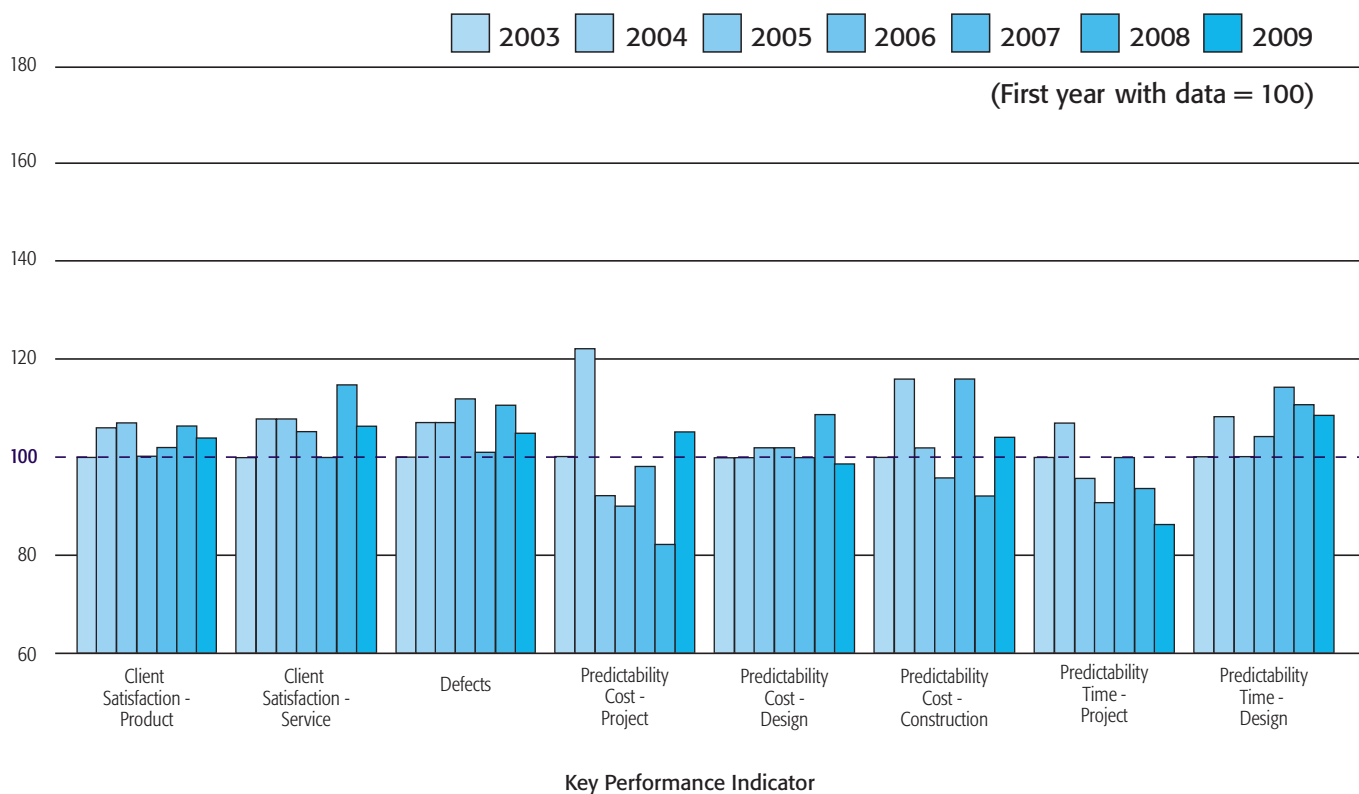
<sup>1</sup> In order to regularise the volatile mix of financial data by company size from year to year, in 2006 a standard method of weighting by number of employees was adopted in line with other international financial KPIs. This method was applied retrospectively to past years and, where applicable,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





# Economic KPIs – All Non-Housing

## Year-on-Year Comparisons

KPI	Measure	Performance							Trend	
		2003	2004	2005	2006	2007	2008	2009	Last Year	All Years
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	<b>76%</b>	<b>77%</b>	<b>81%</b>	<b>85%</b>	<b>82%</b>	<b>82%</b>	<b>86%</b>	↑	↑
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	<b>70%</b>	<b>73%</b>	<b>75%</b>	<b>79%</b>	<b>78%</b>	<b>72%</b>	<b>86%</b>	↑↑	↑
<b>Defects - Impact at Handover</b>	% scoring 8/10 or better	<b>64%</b>	<b>60%</b>	<b>66%</b>	<b>74%</b>	<b>71%</b>	<b>68%</b>	<b>77%</b>	↑↑	↑
<b>Predictability Cost - Project</b>	% on cost or better	<b>54%</b>	<b>50%</b>	<b>48%</b>	<b>46%</b>	<b>45%</b>	<b>51%</b>	<b>47%</b>	↓↓	↓
<b>Predictability Cost - Design</b>	% on cost or better	<b>66%</b>	<b>63%</b>	<b>63%</b>	<b>68%</b>	<b>65%</b>	<b>62%</b>	<b>59%</b>	↓	↓
<b>Predictability Cost - Construction</b>	% on cost or better	<b>52%</b>	<b>48%</b>	<b>47%</b>	<b>43%</b>	<b>46%</b>	<b>50%</b>	<b>44%</b>	↓↓	↓
<b>Predictability Time - Project</b>	% on time or better	<b>46%</b>	<b>41%</b>	<b>46%</b>	<b>45%</b>	<b>46%</b>	<b>48%</b>	<b>47%</b>	↓	→ ←
<b>Predictability Time - Design</b>	% on time or better	<b>57%</b>	<b>60%</b>	<b>54%</b>	<b>60%</b>	<b>54%</b>	<b>61%</b>	<b>50%</b>	↓↓	↓
<b>Predictability Time - Construction</b>	% on time or better	<b>59%</b>	<b>59%</b>	<b>65%</b>	<b>62%</b>	<b>60%</b>	<b>57%</b>	<b>65%</b>	↑↑	↑
<b>Construction Cost</b>	% change compared with one year ago	<b>3.4%</b>	<b>1.2%</b>	<b>0.4%</b>	<b>-0.8%</b>	<b>-2.9%</b>	<b>0.6%</b>	<b>-3.2%</b>	↑	→ ←
<b>Construction Time</b>	% change compared with one year ago	<b>1.5%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>1.0%</b>	<b>-1.3%</b>	<b>0.7%</b>	<b>-3.4%</b>	↑	→ ←
<b>Profitability <sup>1</sup></b>	Median % profit before interest & tax	<b>4.9%</b>	<b>6.4%</b>	<b>7.6%</b>	<b>7.5%</b>	<b>8.2%</b>	<b>9.1%</b>	<b>9.4%</b>	↑	↑↑
<b>Productivity (Current Values) <sup>1</sup></b>	Median value added/ FTE employee (£000)	<b>29.4</b>	<b>30.1</b>	<b>31.6</b>	<b>35.9</b>	<b>39.0</b>	<b>41.8</b>	<b>43.3</b>	↑	↑↑
<b>Productivity (Constant 2003 Values) <sup>1 2</sup></b>	Median value added/ FTE employee (£000)	<b>29.4</b>	<b>29.0</b>	<b>28.3</b>	<b>30.6</b>	<b>32.2</b>	<b>33.0</b>	<b>34.4</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>906</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>	<b>63%</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.

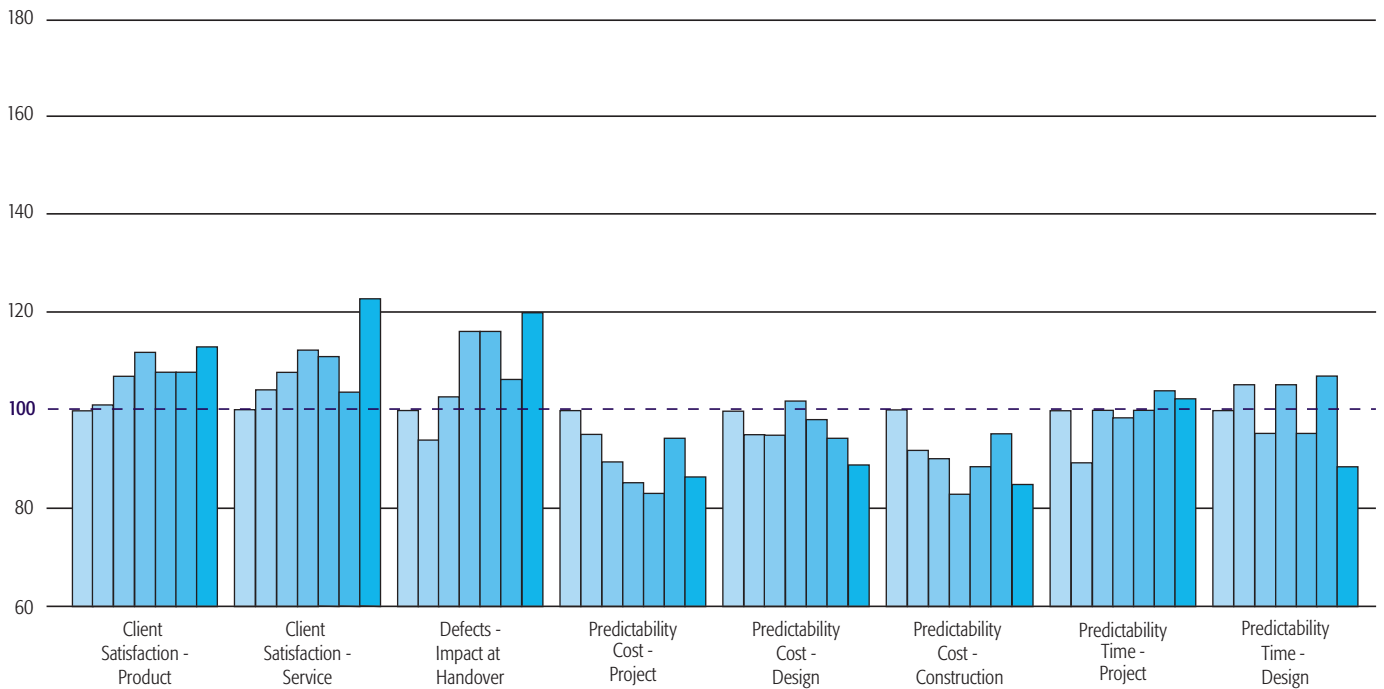
<sup>2</sup> Current values are deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values

<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".

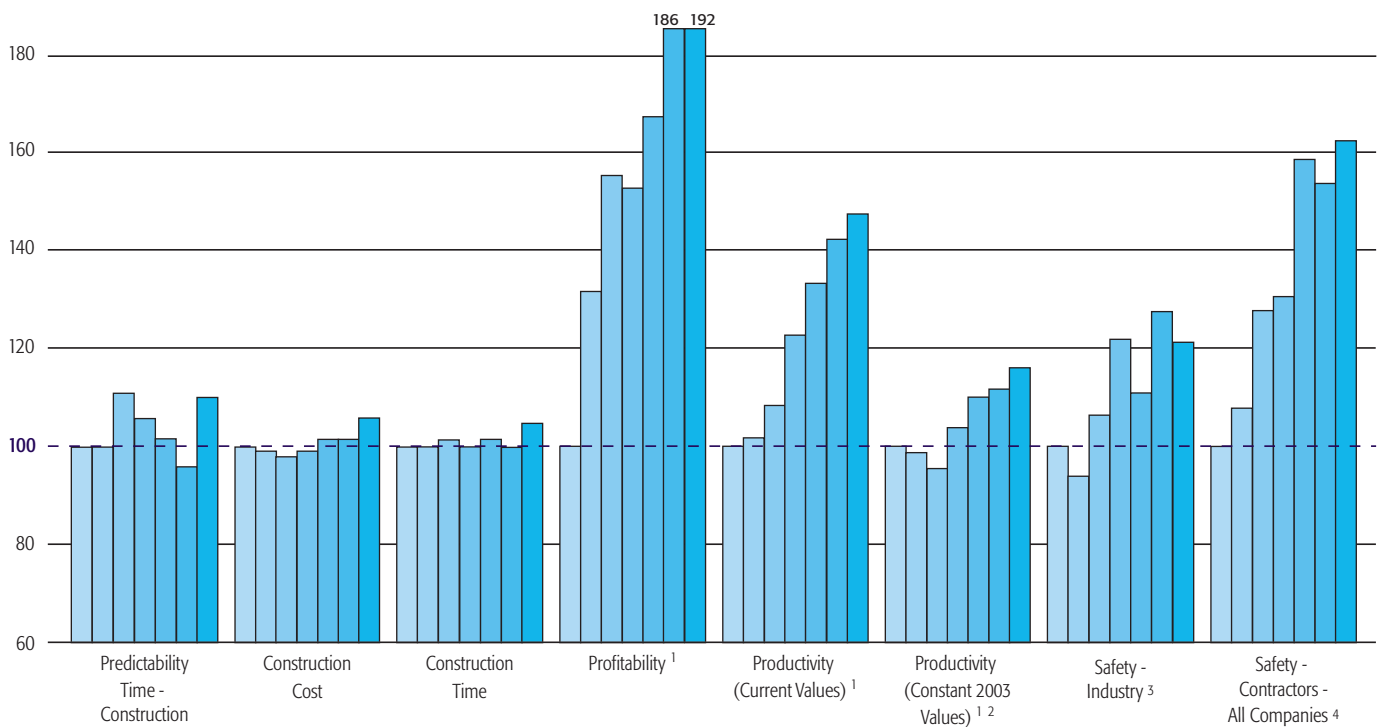
<sup>4</sup> There is no sector breakdown available for this KPI. This KPI is based on company annual accident incidence rates collected in the BERR Contractor Survey adjusted for under reporting (see KPI Tutorial for details).

2003 2004 2005 2006 2007 2008 2009

(First year with data = 100)



Key Performance Indicator



Key Performance Indicator

# Construction Consultants KPIs

## Year-on-Year Comparisons

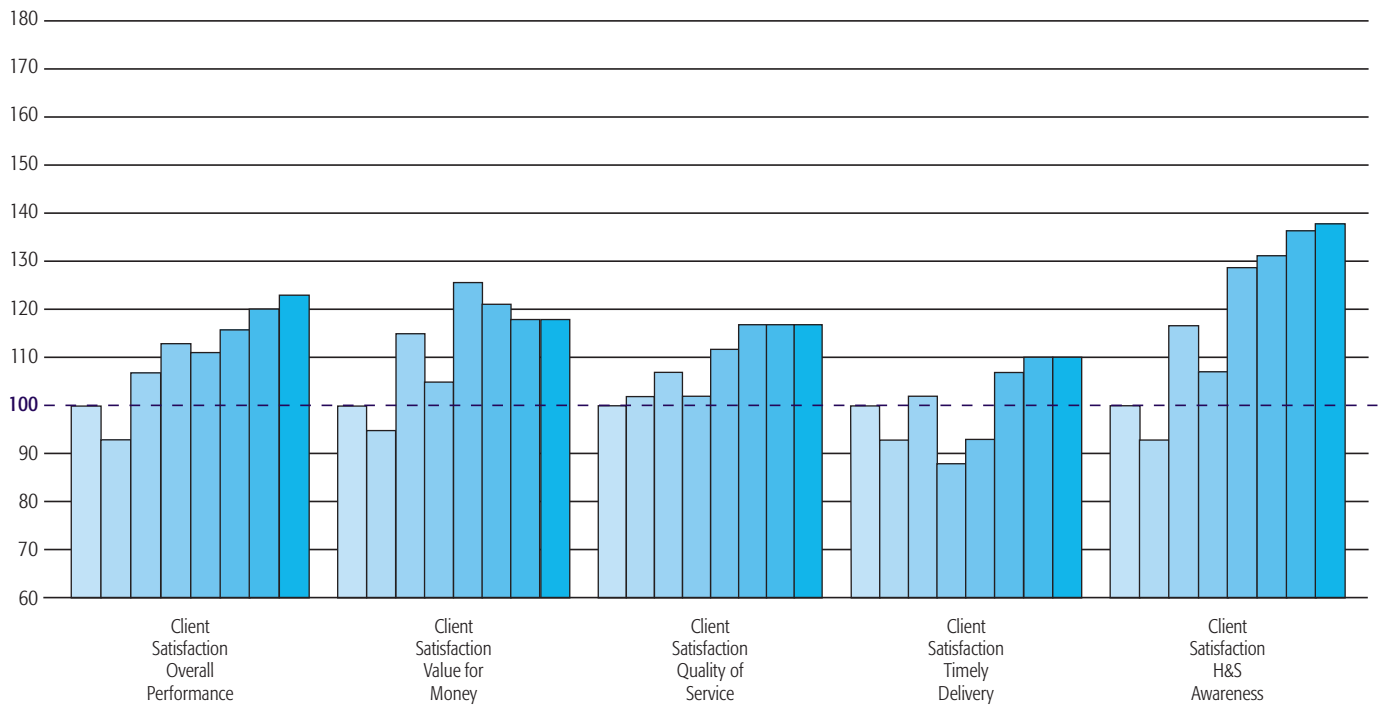
KPI	Measure	Performance								Trend	
		2002	2003	2004	2005	2006	2007	2008	2009	Last Year	All Years
<b>Client Satisfaction - Overall Performance</b>	% scoring 8/10 or better	45%	42%	48%	51%	50%	52%	54%	55%	↑	↑
<b>Client Satisfaction - Value for Money</b>	% scoring 8/10 or better	39%	37%	45%	41%	49%	47%	46%	46%	→←	↑
<b>Client Satisfaction - Quality of service</b>	% scoring 8/10 or better	42%	43%	45%	43%	47%	49%	49%	49%	→←	↑
<b>Client Satisfaction - Timely delivery</b>	% scoring 8/10 or better	41%	38%	42%	36%	38%	44%	45%	45%	→←	↑
<b>Client Satisfaction - H&amp;S awareness</b>	% scoring 8/10 or better	42%	39%	49%	45%	54%	55%	57%	58%	↑	↑↑
<b>Training</b>	Median annual training days per FTE employee	1.9	2.2	3.2	2.0	1.4	1.2	1.5	2.0	↑↑	→←
<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%	14.8%	↑↑	↑↑
<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	48.7	↑↑	↑↑
<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	37.5	↑↑	↑

<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.

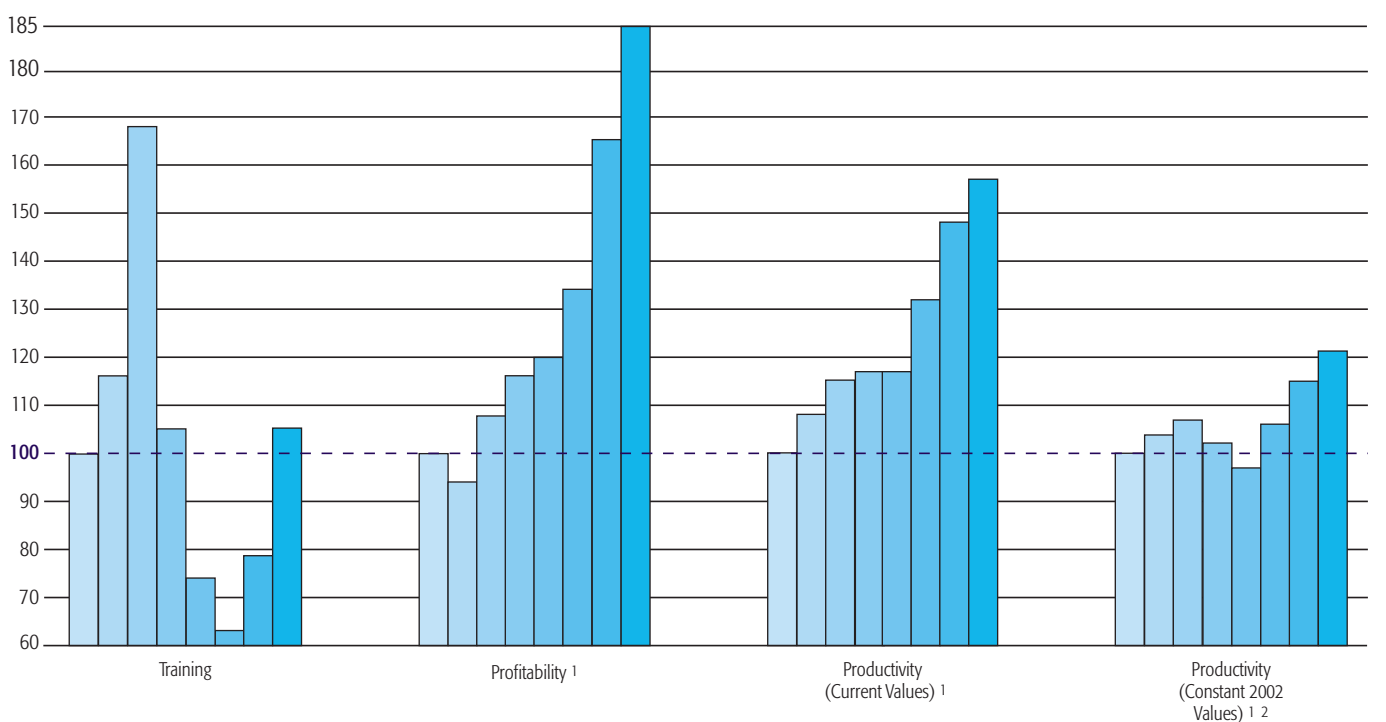
<sup>2</sup> Current values deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values.

2002 2003 2004 2005 2006 2007 2008 2009

(First year with data = 100)



Key Performance Indicator



Key Performance Indicator

# M&E Contractors KPIs

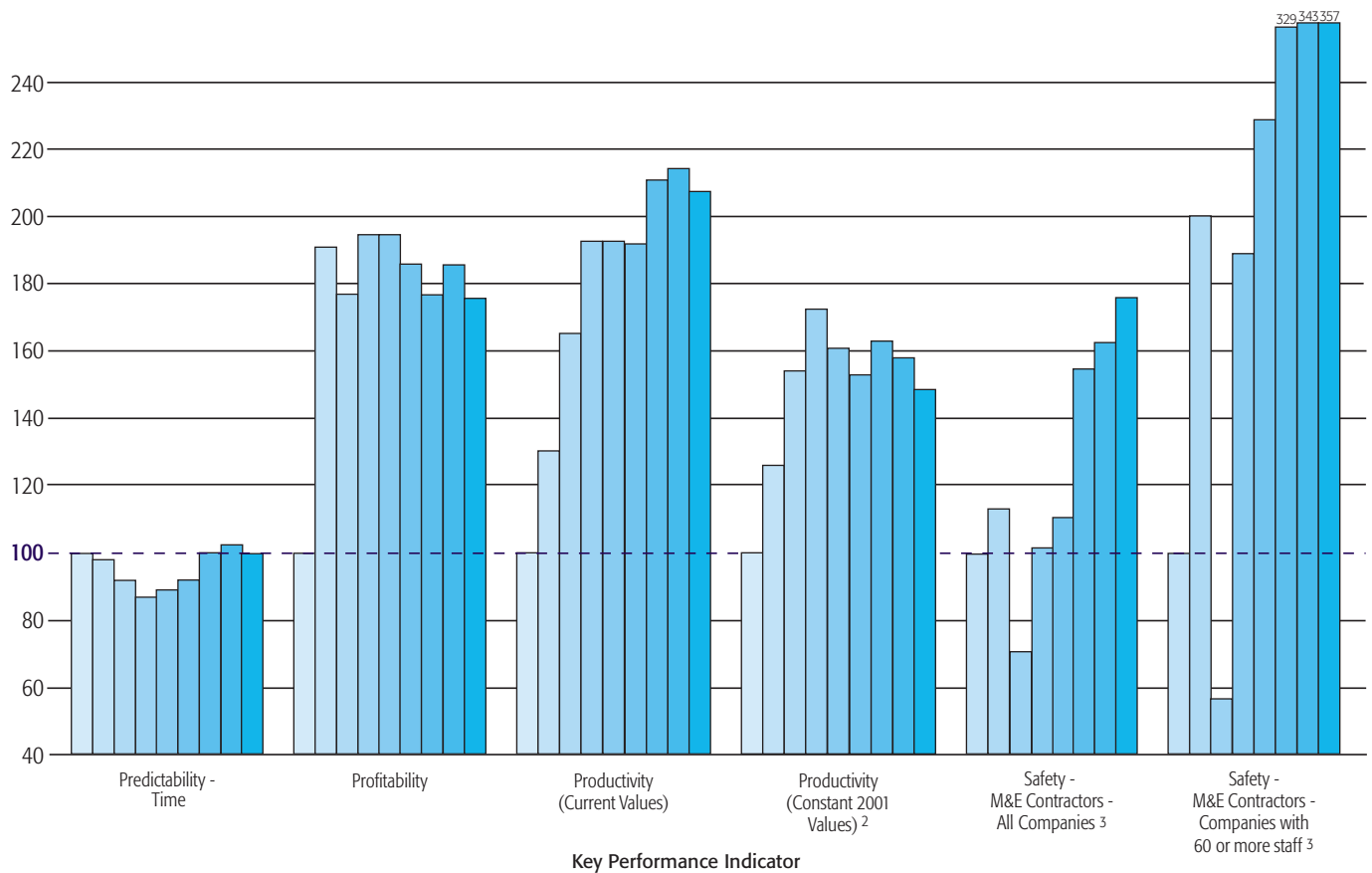
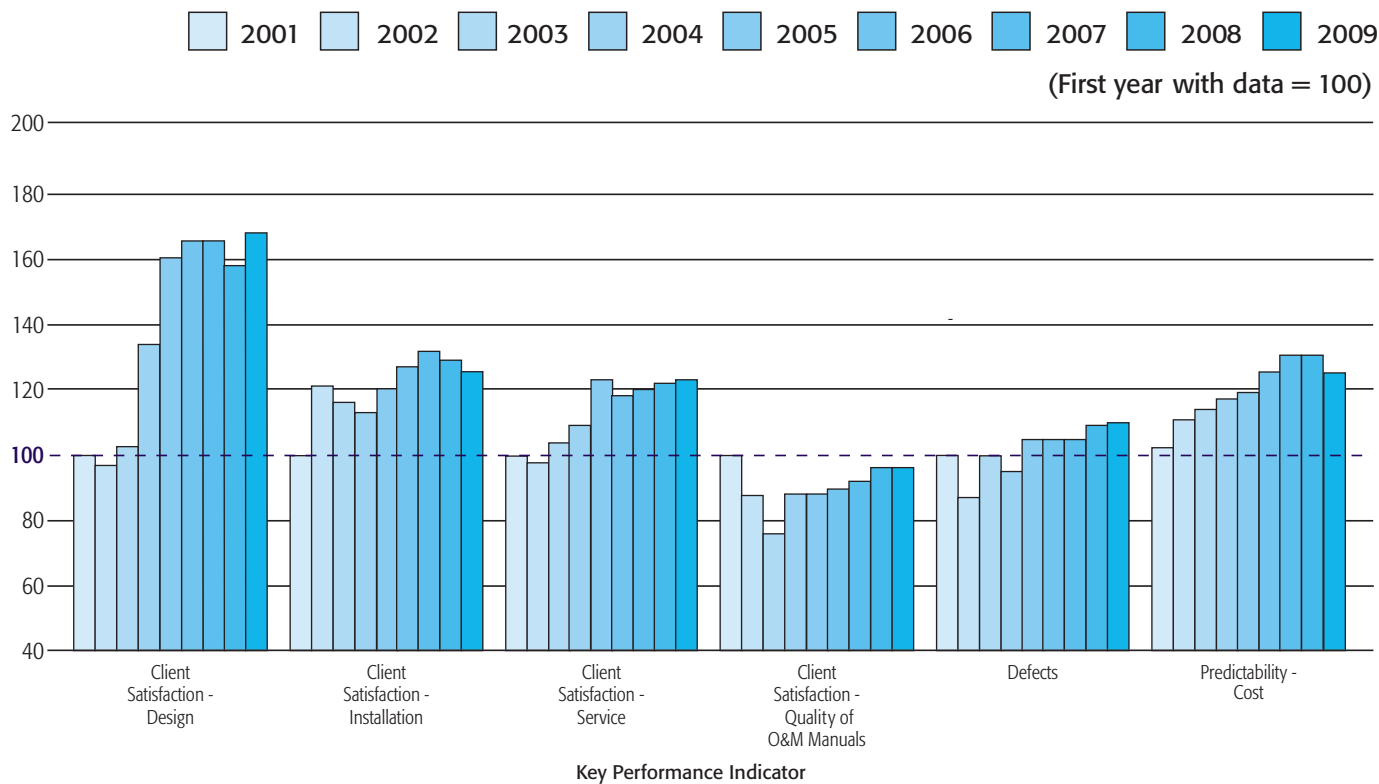
## Year-on-Year Comparisons

KPI	Measure	Performance									Trend	
		2001	2002	2003	2004	2005	2006	2007	2008	2009	Last Year	All Years
<b>Client Satisfaction - Design</b>	% scoring 8/10 or better	38%	37%	39%	51%	61%	63%	63%	60%	64%	↑↑	↑↑
<b>Client Satisfaction - Installation</b>	% scoring 8/10 or better	56%	68%	65%	63%	67%	71%	74%	72%	71%	↓	↑
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	56%	55%	58%	61%	69%	66%	67%	68%	69%	↑	↑
<b>Client Satisfaction - Quality O&amp;M Manuals</b>	% scoring 8/10 or better	50%	44%	38%	44%	44%	45%	46%	48%	48%	→←	→←
<b>Defects</b>	% scoring 8/10 or better	63%	55%	63%	60%	66%	66%	66%	68%	69%	↑	↑
<b>Predictability - Cost</b>	% on cost or better	37%	40%	41%	42%	43%	45%	47%	47%	46%	↓	↑
<b>Predictability - Time</b>	% on time or better	53%	52%	49%	46%	47%	49%	53%	54%	53%	↓	→←
<b>Profitability</b>	Median % profit turnover	2.2%	4.2%	3.9%	4.3%	4.3%	4.1%	3.9%	4.1%	3.9%	↓	↑↑
<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	53.9	↓	↑↑
<b>Productivity (Constant 2001 Values) <sup>2</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	40.2	↓	↑↑
<b>Safety - M&amp;E Contractors - All Companies <sup>3</sup></b>	% achieving zero accident incidence rate	-	31%	35%	22%	32%	34%	48%	50%	55%	↑↑	↑↑
<b>Safety - M&amp;E Contractors - Companies with 60 staff or more <sup>3</sup></b>	% achieving zero accident incidence rate	-	7%	14%	4%	13%	16%	23%	24%	25%	↑	↑↑

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

<sup>3</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.





# Construction Products Industry KPIs

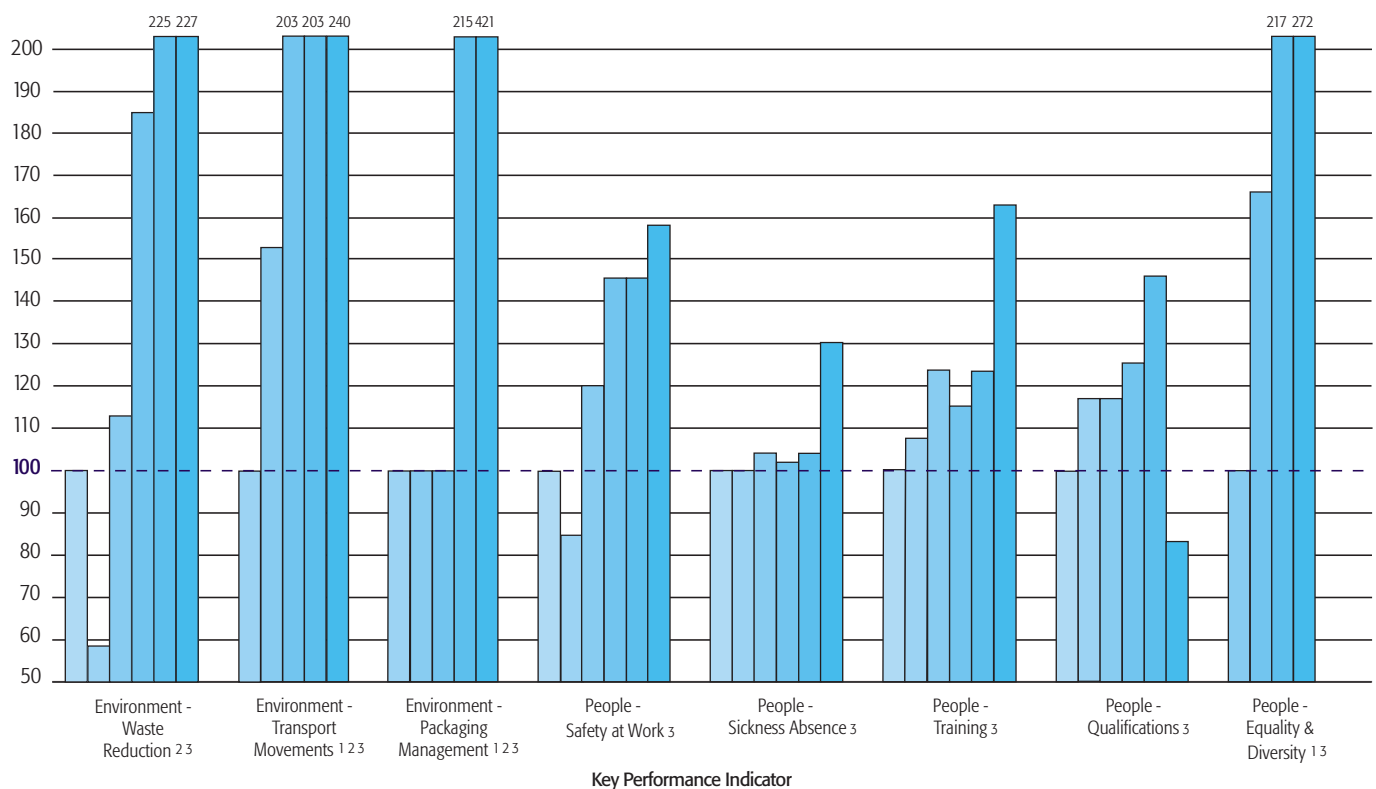
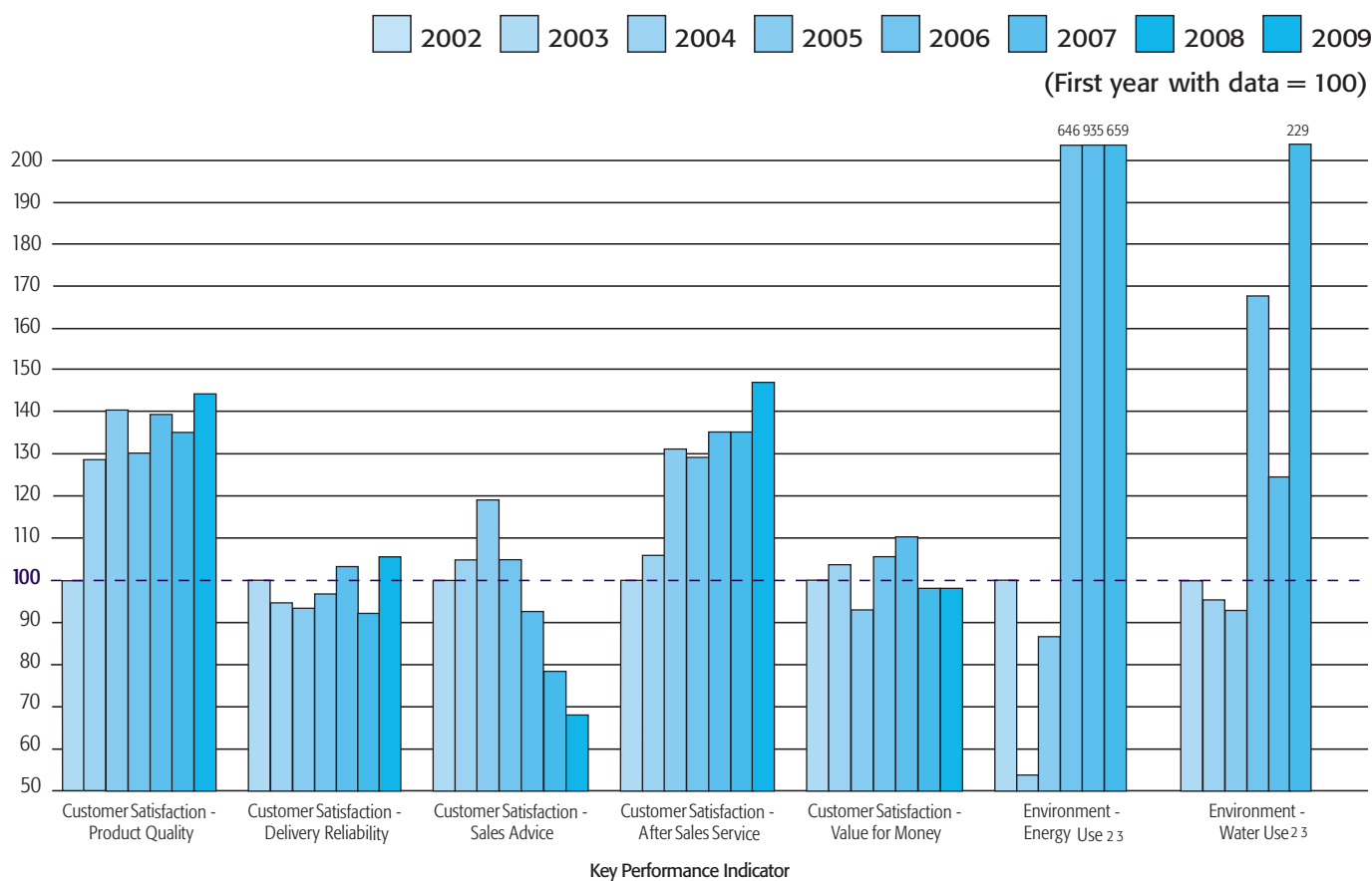
## Year-on-Year Comparisons

KPI	Measure	Performance							Trend	
		2003	2004	2005	2006	2007	2008	2009	Last Year	All Years
Customer Satisfaction										
Product Quality	% scoring 8/10 or better	57%	73%	80%	74%	79%	77%	82%	↑↑	↑↑
Delivery Reliability	% scoring 8/10 or better	68%	64%	63%	65%	70%	62%	72%	↑↑	→←
Sales Advice	% scoring 8/10 or better	53%	55%	63%	55%	48%	42%	36%	↓↓	↓↓
After Sales Service	% scoring 8/10 or better	49%	52%	64%	63%	66%	66%	72%	↑↑	↑↑
Value for Money	% scoring 8/10 or better	51%	53%	47%	54%	56%	50%	50%	→←	→←
Environment										
Energy Use <sup>2 3</sup>	Median energy consumed KgCO <sub>2</sub> / 10 tonne of production output	743	1397	869	115	80	113	-	-	-
Water Use <sup>2 3</sup>	Median water used m <sup>3</sup> / 10 tonne of production output	1.90	2.00	2.09	1.13	1.55	0.83	-	-	-
Waste Reduction <sup>2 3</sup>	Median tonnes of waste leaving site as a % of total production output	1.33%	2.29%	1.19%	0.72%	0.59%	0.48%	-	-	-
Transport Movements <sup>1 2 3</sup>	Median number movements / 10 tonne of production output	-	1.20	0.79	0.59	0.59	0.50	-	-	-
Packaging Management <sup>1 2 3</sup>	Median tonnes of packaging bought as a % of total production output	-	1.01%	1.01%	1.01%	0.47%	0.24%	-	-	-
People										
Safety at Work <sup>3</sup>	Mean accident incidence rate	2050	2412	1702	1416	1416	1288	-	-	-
Sickness Absence <sup>3</sup>	Median number of days lost per employee	6.1	6.1	5.9	6.0	5.9	4.7	-	-	-
Training <sup>3</sup>	Median annual training days / full-time equivalent employee	1.3	1.4	1.6	1.5	1.6	2.1	-	-	-
Qualifications <sup>3</sup>	Median % of full-time employees qualified To NVQ Level 2 or higher	24%	28%	28%	30%	35%	20%	-	-	-
Equality & Diversity <sup>1 3</sup>	% 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.

<sup>3</sup> Data for this KPI has not been updated since 2008



# Constructing Excellence Demonstration Projects

## Year-on-Year Comparisons

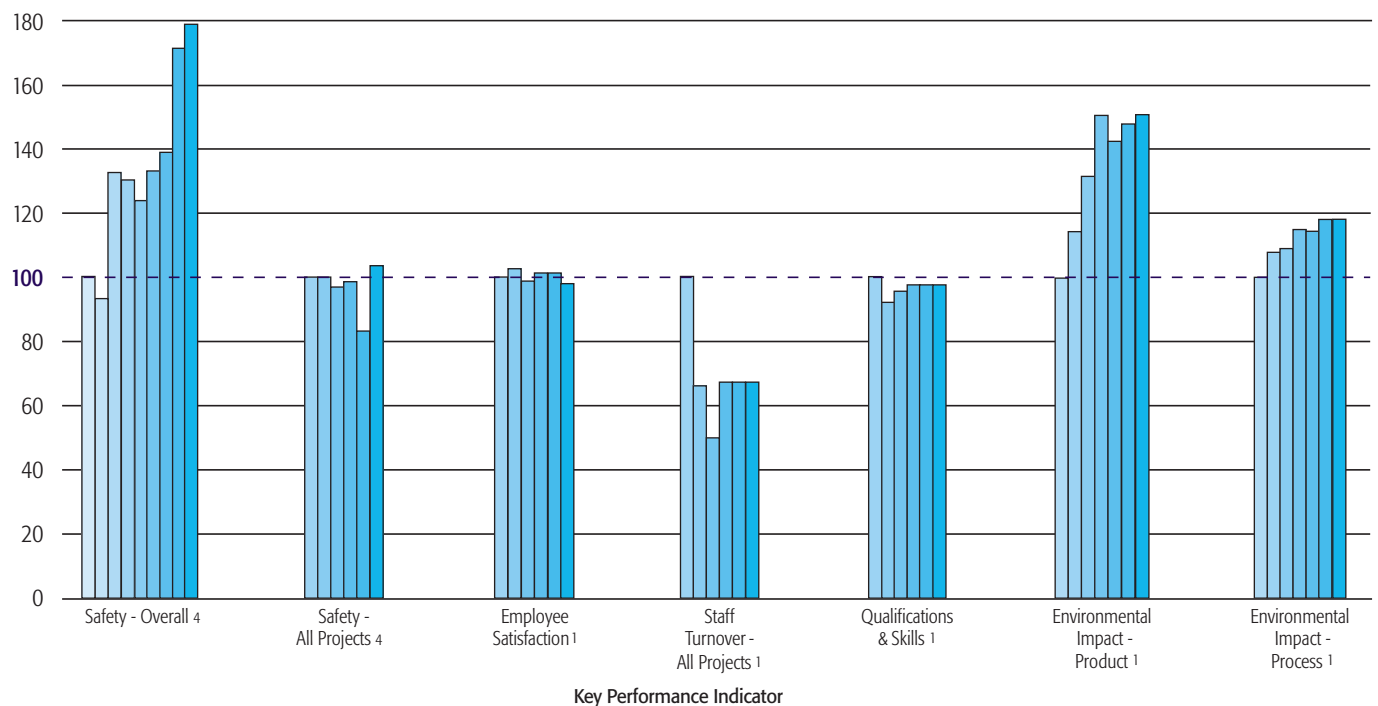
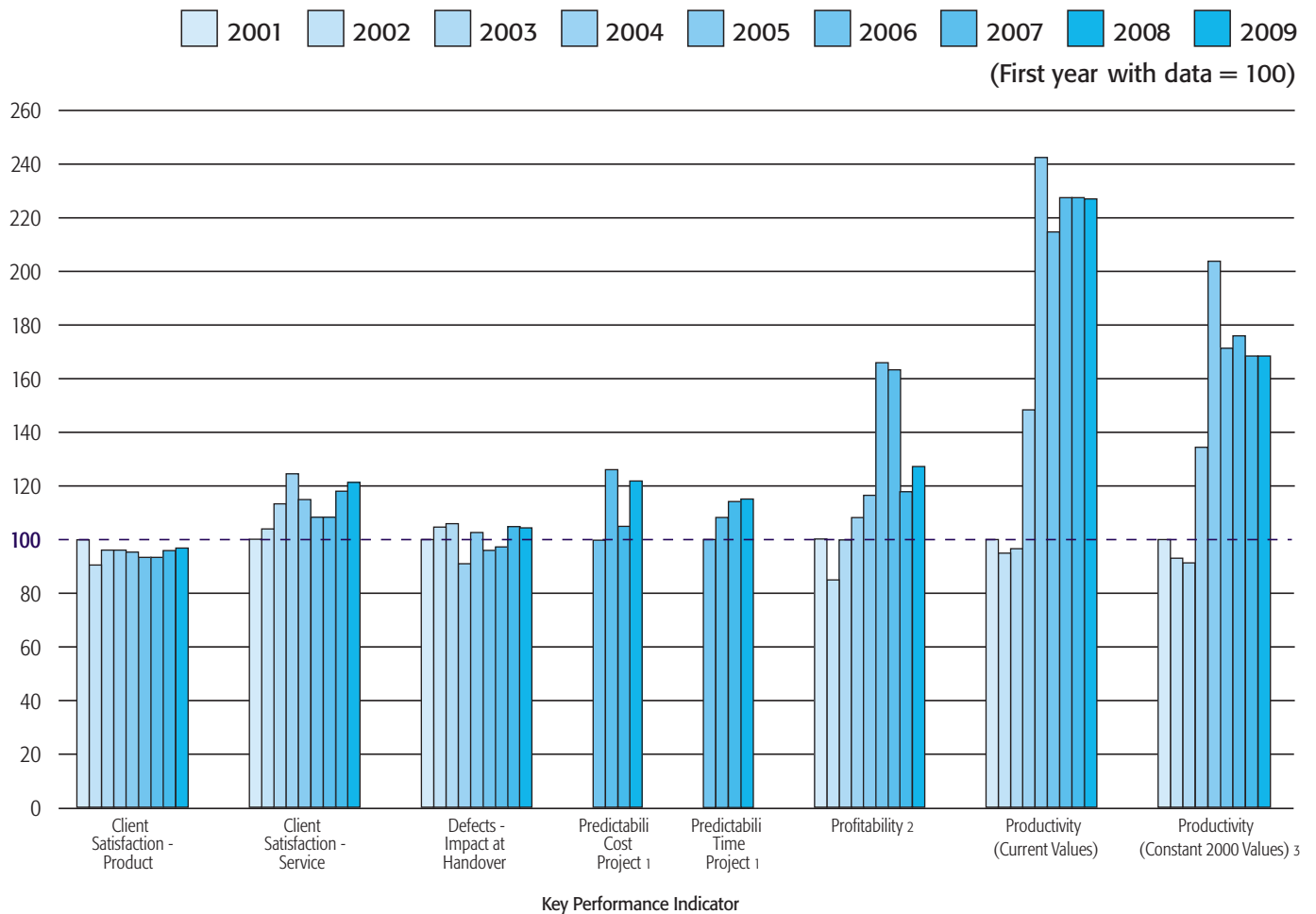
KPI	Measure	Performance										Trend	
		2001	2002	2003	2004	2005	2006	2007	2008	2009	Last Year	All Years	
<b>Economic KPIs:</b>													
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	93%	84%	90%	90%	89%	86%	86%	88%	89%	↑	→←	
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	76%	78%	86%	94%	88%	83%	83%	90%	92%	↑	↑	
<b>Defects - Impact at Handover</b>	% scoring 8/10 or better	82%	86%	87%	75%	84%	78%	79%	87%	86%	↓	→←	
<b>Predictability Cost - Project <sup>1</sup></b>	% on cost or better	-	-	-	-	-	73%	92%	77%	88%	↑↑	↑↑	
<b>Predictability Time - Project <sup>1</sup></b>	% on time or better	-	-	-	-	-	79%	86%	89%	90%	↑	↑	
<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%	7.6%	↑↑	↑	
<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	84.0	→←	↑↑	
<b>Productivity (Constant 2000 Values) <sup>3</sup></b>	Median value added/ FTE employed (£000)	37.0	33.9	33.8	49.6	75.3	63.2	65.3	62.6	62.6	→←	↑↑	
<b>Respect for People KPIs:</b>													
<b>Safety - Overall <sup>4</sup></b>	Mean accident incidence rate	569	605	428	435	458	425	410	330	317	↑	↑↑	
<b>Safety - All Projects <sup>4</sup></b>	% scoring zero accident incidence rate	-	-	-	78%	78%	76%	77%	65%	81%	↑↑	→←	
<b>Employee Satisfaction</b>	% scoring 8/10 or better	-	-	-	89%	92%	88%	90%	90%	87%	↓	→←	
<b>Staff Turnover - All Projects</b>	Median % staff turnover	-	-	-	2.0%	3.0%	4.0%	3.0%	3.0%	3.0%	→←	↓↓	
<b>Qualifications &amp; Skills</b>	Median % of direct employees qualified to NVQ Level 2 or higher	-	-	-	100%	93%	96%	98%	98%	98%	→←	→←	
<b>Environment KPIs:</b>													
<b>Environmental Impact - Product</b>	% scoring 8/10 or better	-	-	62%	71%	82%	93%	88%	92%	93%	↑	↑↑	
<b>Environmental Impact - Construction Process</b>	% scoring 8/10 or better	-	-	76%	82%	83%	89%	88%	90%	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> Current values are deflated by the "All Construction Output Price Index" for the first years KPI to arrive at constant values.

<sup>4</sup> CE safety data is project based while KPI safety data is company based..



# Constructing Excellence Demonstration Projects (contd.)

## Comparison with All Construction

KPI	Measure	All Construction Performance 2009	Constructing Excellence Demonstration Performance 2009
<b>Economic KPIs:</b>			
<b>Client Satisfaction - Product</b>	% scoring 8/10 or better	86%	89%
<b>Client Satisfaction - Service</b>	% scoring 8/10 or better	84%	92%
<b>Defects - Impact at Handover</b>	% scoring 8/10 or better	77%	86%
<b>Predictability Cost - Project</b>	% on cost or better	48%	88%
<b>Predictability Time - Project</b>	% on time or better	45%	90%
<b>Profitability <sup>2</sup></b>	Median % profit before interest & tax	9.9%	7.6%
<b>Productivity (Current Values)</b>	Median value added / FTE employed (£000)	46.2	84.0
<b>Productivity (Constant 2000 Values) <sup>3</sup></b>	Median value added / FTE employed (£000)	33.0	62.6
<b>Respect for People KPIs:</b>			
<b>Safety - Overall <sup>4</sup></b>	Accident incidence rate	906	317
<b>Safety - All Projects <sup>4</sup></b>	% scoring zero accident incidence rate	63%	81%
<b>Employee Satisfaction</b>	% scoring 8/10 or better	44%	87%
<b>Staff Turnover - All Projects</b>	Median % staff turnover	4.2%	3.0%
<b>Qualifications &amp; Skills</b>	Median % of direct employees qualified to NVQ Level 2 or higher	22%	98%
<b>Environment KPIs:</b>			
<b>Environmental Impact - Product</b>	% scoring 8/10 or better	64%	93%
<b>Environmental Impact - Construction Process</b>	% scoring 8/10 or better	49%	90%

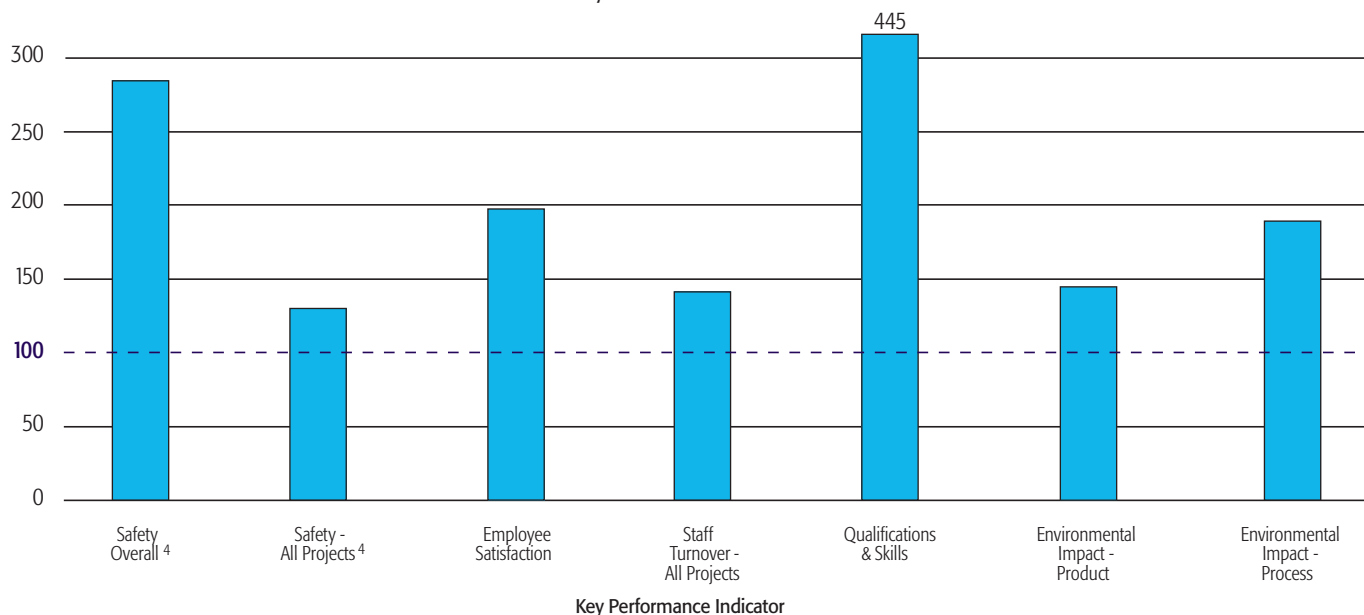
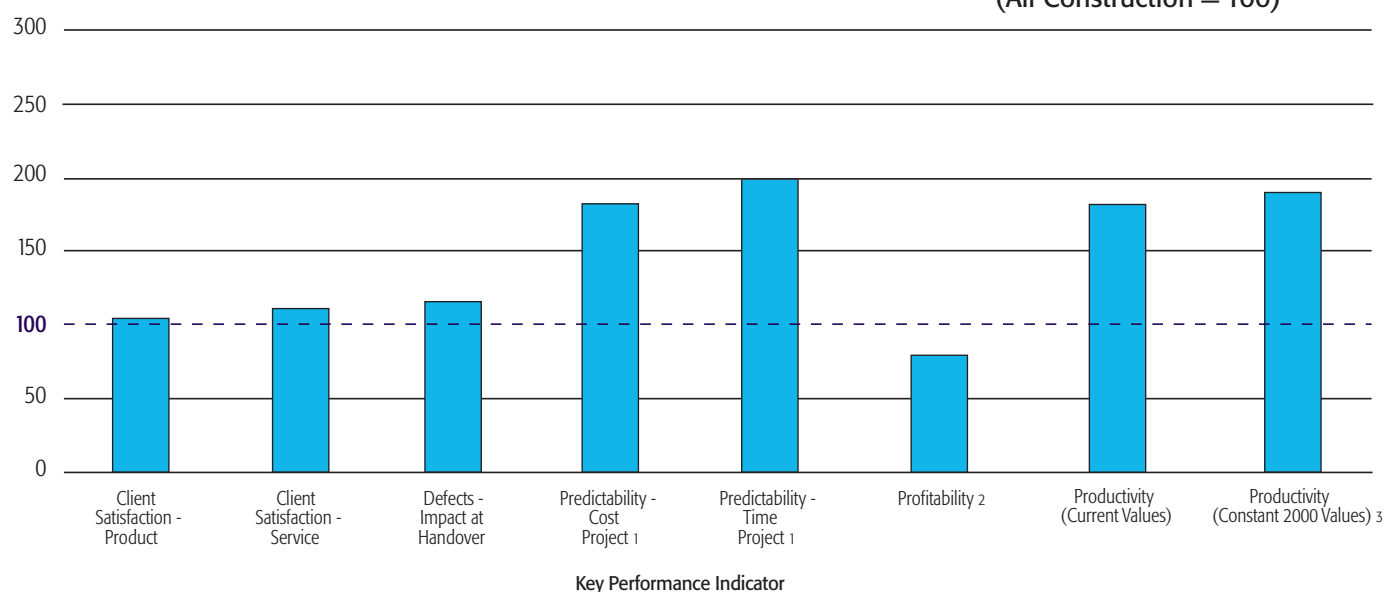
<sup>2</sup> Some of the CE data sets that show a 0% profit have been excluded as they are from the clients point of view and, therefore, no profit would be made.

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

<sup>3</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:

KPI name	KPI group and industry sector	How change in the industry is measured	The year the data was reported. The data relates to performance in the previous year.														
Economic KPIs - All Construction - Year on Year Comparisons																	
KPI	Measure	Performance											Trend				
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Last Year	All Years			
Client Satisfaction - Product	% scoring 8/10 or better	72%	73%	72%	73%	78%	80%	83%	84%	82%	83%	86%	↑	↑			
Client Satisfaction - Service	% scoring 8/10 or better	58%	63%	63%	65%	71%	74%	77%	79%	75%	77%	84%	↑↑	↑			
Client Satisfaction - Value for Money <sup>1</sup>	% scoring 8/10 or better	-	-	67%	69%	73%	74%	79%	80%	75%	75%	82%	↑↑	↑			
Contractor Satisfaction - Performance - Overall <sup>1</sup>	% scoring 8/10 or better	-	-	-	-	64%	65%	63%	62%	62%	62%	64%	↑	→ ←			
Contractor Satisfaction - Provision of Information - Overall <sup>1</sup>	% scoring 8/10 or better	-	-	-	-	57%	59%	58%	56%	56%	56%	59%	↑↑	→ ←			
Contractor Satisfaction - Payment - Overall <sup>1</sup>	% scoring 8/10 or better	-	-	-	-	67%	66%	65%	65%	63%	63%	67%	↑↑	→ ←			
Defects - Impact at Handover <sup>1</sup>	% scoring 8/10 or better	-	65%	53%	58%	68%	68%	72%	77%	73%	73%	77%	↑↑	↑			
Predictability Cost - Project <sup>1</sup>	% on cost or better	-	50%	46%	48%	52%	50%	48%	45%	46%	49%	48%	↓	→ ←			
Predictability Cost - Design	% on cost or better	65%	64%	63%	63%	65%	62%	63%	66%	64%	65%	61%	↓↓	→ ←			
Predictability Cost - Construction	% on cost or better	37%	45%	48%	50%	52%	49%	48%	44%	49%	48%	46%	↓	↑			
Predictability Time - Project <sup>1</sup>	% on time or better	-	28%	36%	42%	44%	44%	46%	44%	58%	45%	45%	→ ←	↑↑			
Predictability Time - Design	% on time or better	27%	37%	41%	46%	53%	55%	52%	57%	58%	58%	53%	↓↓	↑↑			
Predictability Time - Construction	% on time or better	34%	62%	59%	61%	59%	60%	62%	60%	65%	58%	59%	↑	↑↑			
Construction Cost <sup>1</sup>	% 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%	-4.3%	↑	→ ←			
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%	-3.9%	↑	→ ←			

<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

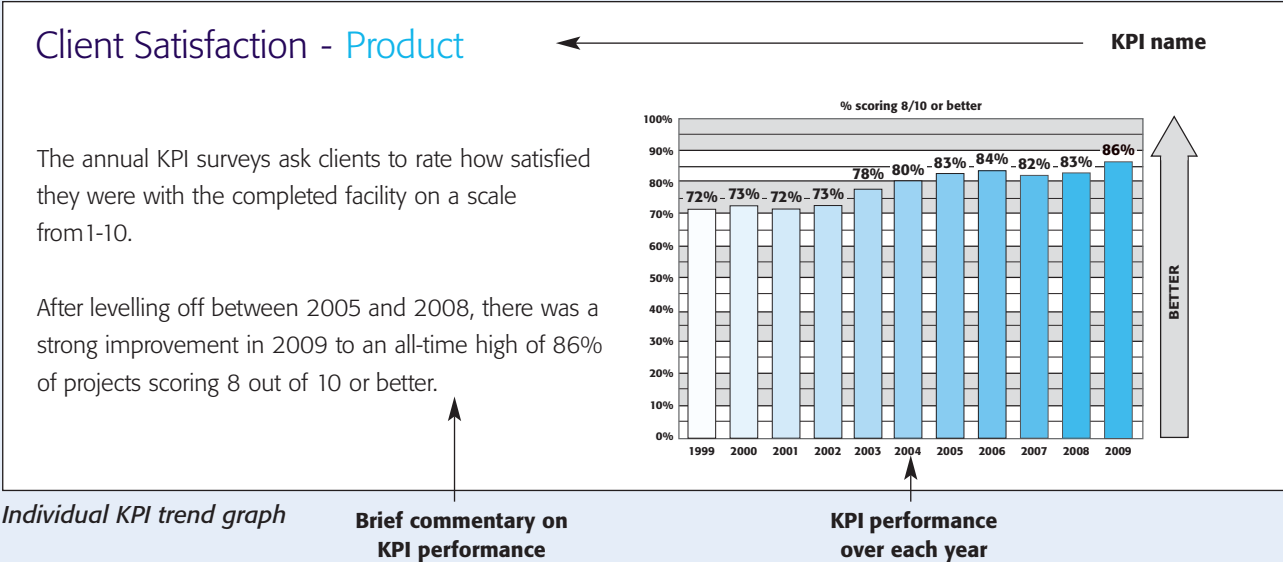
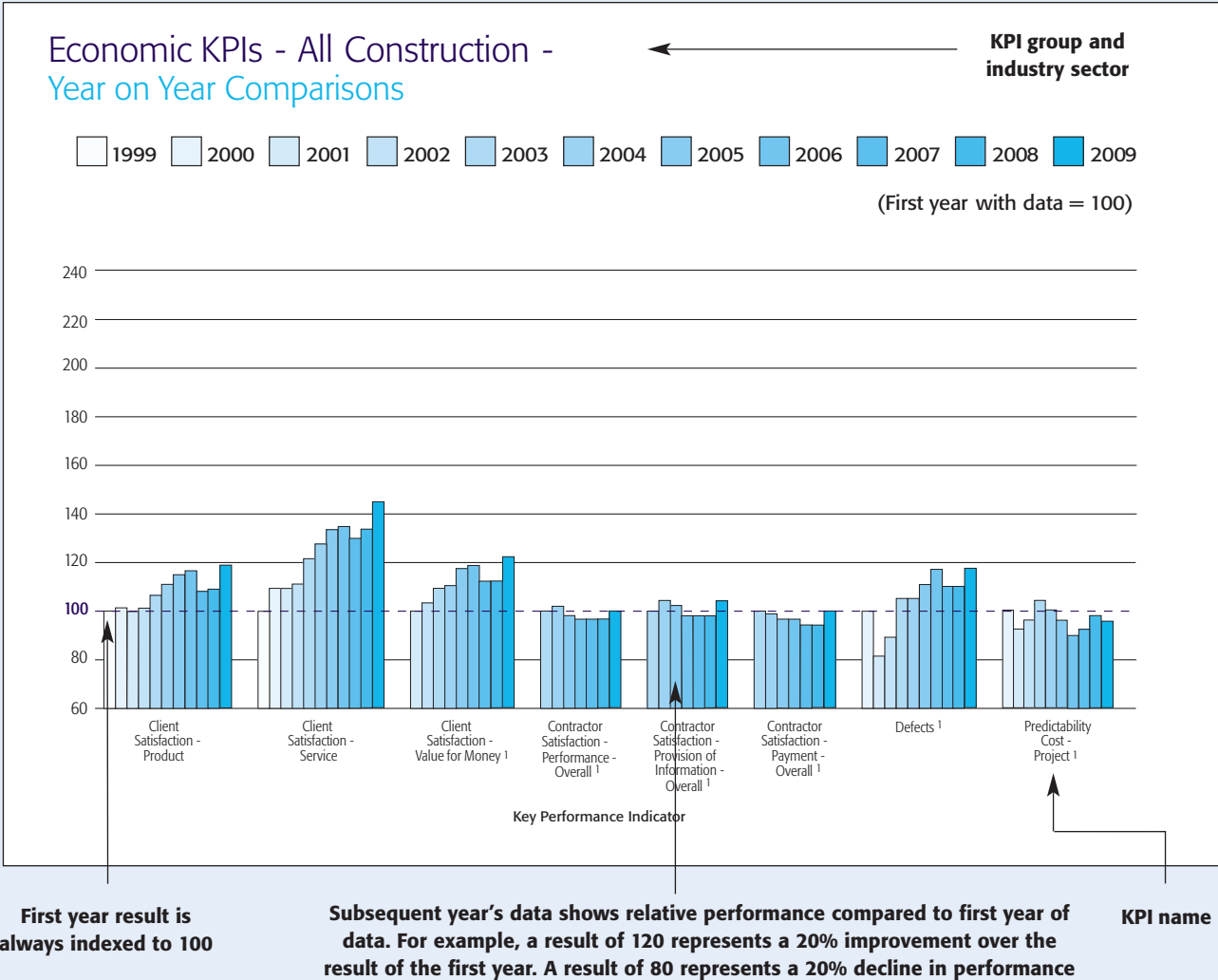
Trend between latest year and previous year's performance

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



# Data Sources for the UK Construction Industry KPIs

M&E Contractors KPIs	Construction Consultants KPIs	Construction Products Industry KPIs	Demonstration Projects
<i>Co-ordinated by BSRIA</i>	<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>	<i>Co-ordinated by Construction Products Association</i>	<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. ONS Quarterly Clients' KPI Survey
2. ONS Quarterly Contractor KPI Survey
3. ONS New Orders Survey
4. ONS Quarterly Building Price & Cost Indices
5. ONS 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. ONS - Labour Force Survey
11. ONS - 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 020 7592 1100**

## 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 Workshops

An introduction to the benefits and use of the Construction Industry KPIs. Each Workshop 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).

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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 Workshops

## 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.



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