

The Rt. Hon. Rishi Sunak
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

cc. The Rt. Hon. Stephen Barclay, First Secretary to the Treasury

17 March 2020

Dear The Rt. Hon. Rishi Sunak,

We are writing from the **Association for Consultancy and Engineering (ACE)**, which represents the businesses who develop, design and operate the UK's social and economic infrastructure. Our 430 members, 90% of whom are SMEs, employ around 60,000 people across the UK and 250,000 worldwide. Together they contribute around £15 billion to the economy per year and are a key component of the wider £300bn construction economy in this country.

In last week's Budget, the Chancellor shared preliminary details of a £600 billion "infrastructure revolution". Given the ongoing economic impact of **COVID-19**, it is becoming increasingly clear there is a need for a strategic, longer-term economic stimulus, helping the country as a whole to respond to what will be an extremely challenging 2020.

Our members stand ready to deliver for the government and demonstrate the value they can offer to society, the planet and the economy through their world-leading expertise in design and engineering. However, as you will be all too aware, we are currently in uncharted territory and with the current hiatus, we risk losing the capacity to be able to deliver this long-term ambition for infrastructure.

Rather than simply ask for a cash flow bail out to help our members deal with the immediate, short and medium term effects of COVID-19, we are seeking targeted support to accelerate investment in critical projects – helping to de-risk the future pipeline and ensure our industry is fit for the future.

We believe that the following proactive and positive actions will ensure our people-based businesses maintain their crucial capability to deliver on the Government's longer-term ambitions for infrastructure.

Immediate actions (over the next two weeks):

- Make available grants of up to £50,000 support to SMEs to meet the digital requirements for remote working – to be spent on hardware and specialist software.
- Provide £1 million seed funding towards a **Future of Consultancy** Business Case which would support the redeployment of more than 100 colleagues from across the industry.

Short-term actions (over the next two months):

- Accelerate the development (pre-construction) phase of Government programmes, including schools, hospitals and roads, to mitigate the downturn in private sector work, and help projects become shovel-ready sooner.
- Invest in **Future of Consultancy** demonstrator projects to focus companies' investment and people in R&D and innovation while order books are lighter.

Medium-term actions (over the next six months):

- Turn the high-level commitment of an "infrastructure revolution" into a reality with a clear published pipeline of projects in the Autumn to stimulate the wider economy and generate business confidence.

- Provide tax incentives for the housebuilding sector and further city deals to devolved Mayors to encourage private sector development.
- Invest in ACE's **Future of Consultancy** to provide better ROI on skills and innovation spending, transitioning consultancy businesses to more sustainable business models which will ensure the entire sector is more robust going forwards.

We appreciate that many businesses will be seeking support through these uncertain times, but our proposals are not a hand-out for poorly managed companies, rather they are investments in an industry which is key to the Government's entire strategic direction for the economy. Our members are vital to any ambition for infrastructure investment to be the catalyst of future growth across the whole of the UK and key to delivering society's net zero ambitions.

We stand ready to help with any follow-up queries you may have on these issues of vital importance to our members.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Hannah Vickers', with a long, sweeping horizontal line extending to the right.

Hannah Vickers
Chief Executive
Association for Consultancy and Engineering (ACE)
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A handwritten signature in black ink, appearing to read 'Paul Reilly', written in a cursive style.

Paul Reilly
Chair
Association for Consultancy and Engineering (ACE)