

PRESS RELEASE

5th June 2006

UK CONSTRUCTION INDUSTRY NEEDS 348,000 NEW RECRUITS BY 2010

**UK's biggest industry to have 2.8 million workers by 2010
Construction growth to shift from North to South and East
Professionals to make up almost half the new recruits**

The Blueprint for UK Construction Skills 2006-2010, published today by ConstructionSkills, forecasts that 348,000 more employees will be needed for the construction industry by 2010 to meet expected demand - an average of 87,000 new recruits per year.

In the most comprehensive set of reports ever published for the industry, the Construction Skills Network lifts the lid on predicted construction demand UK-wide and provides detailed analysis of expected workflow and project type, and forecasts for the occupational skills requirements region by region between 2006 - 2010.

The Construction Skills Network confirms the good news that the UK construction industry will continue to experience strong growth, with construction output expected to rise by 12.7% by 2010. By identifying exactly how many new recruits in each trade will be needed over the next five years to meet additional demand and account for industry leavers, the report also provides the industry with the information needed to ensure that every construction programme can be resourced and delivered.

Although, at 11,090 new recruits every year, the highest annual skills requirements UK-wide is for workers with wood trade skills (e.g. carpenters and joiners), there is also expected to be a high demand for managers, clerical staff, architects, engineers, and other design and technical professionals. In total, the number of "white collar" workers the industry needs to recruit every year to 2010 is forecast to be over 36,400 - almost 50% of the annual workforce requirement (see fig 1).

The report found that construction growth is expected to shift from the North to the South and East (see fig 2), driven by strong growth in the new build sector that includes some £36 billion of large (£100m+) projects, including the Kings Cross redevelopments, ports projects at Shellhaven, Felixstowe and Harwich, East London Line extension, Victoria Station redevelopment and the Olympics and Thames Gateway construction programmes.

- The East of England is set to experience the highest rate of employment growth with an increase of 18.6% by 2010, with London at 11% and the South East at 14%.
- Growth in the North is expected to slow: construction employment in the North West is expected to grow by 5% between 2006 and 2010, the North East by 6%, Yorkshire and Humberside by 6% and Scotland by 8%.
- Wales and Northern Ireland will also see strong growth. Construction industry employment in Wales will rise 12%, driven in part by the £3.2 billion Welsh Quality Standards Scheme, and a 13% increase in Northern Ireland can be attributed primarily to the large public investment programme planned for the region over the next 10 years.

Contrary to popular myth, the indications from the data at this stage are that delivering the Olympics programme will not impact on the successful completion of regional construction projects. Although the Olympics programme is high profile, has a value of around £2.5 billion over the next seven years and will need an average workforce of 5,000 each year (peaking at 9,300 in 2010), it is not enough on its own to significantly boost output. The Construction Skills Network estimates that the Olympics programme will account for only 0.2% of the UK's total construction workforce between now and 2010.

The report also provides insight into the different types of construction project the new recruits will be needed to work on (see fig 3). It reveals that:

- Private output growth is expected to exceed publicly funded construction programmes.
- Public house building is forecast to see the strongest growth of any sector as government and private house builders seek to deliver higher levels of affordable and key worker housing, particularly in London and the South East.
- Robust growth is expected for the commercial sector, accounted for by the continued recovery for the offices market and further increases in PFI/PPP health and education work.
- Infrastructure output is also forecast to be above the industry average, driven by projects such as the widening of the M1 and M25, the five year national water and sewerage AMP programme, nuclear decommissioning and, of course, works for the Olympic Park and Village.

Sheila Hoile, Skills Strategy Director, CITB-ConstructionSkills comments: "The Construction Skills Network provides the construction industry with its first truly authoritative basis for planning recruitment strategies, education and training

mechanisms and funding delivery. For contractors and consultants, the data can be used to inform what type of building they should be designing and constructing for the client, and how best to avoid high labour costs. And it gives Government the tools to decide where it needs to focus policies and funding to avoid skills shortage and wage inflation."

"ConstructionSkills is already successfully bringing young people, apprentices and graduates into the construction industry and I'm pleased to say there is no shortage of applicants to the industry. One of the biggest challenges is to ensure that new and existing workers have the right qualifications, but we cannot do this alone. We call on the industry to help us build for the future by making investments in training, taking on apprentices and working with us to qualify the largest workforce in the UK."

Phil Hope MP, Parliamentary Under Secretary of State for Skills, comments: "Raising skill levels is absolutely essential to sustained economic success. The Construction Skills Network is an excellent example of the sector skills planning we have introduced under our skills strategy. We want industry setting the pace, identifying the skills challenges and opportunities and driving a demand led system which puts the right training provision in place and effectively targets our investment in training."

David Adamson, Smarter Construction Director, Office of Government Commerce, comments: "The Construction Skills Network is an extremely valuable tool for our scenario planning and will also help us to identify and plan for regional, trade and sector pinch points. We are grateful to the construction industry for providing data which will become vital in effectively managing public sector demand and securing best value from our procurement".

The Construction Skills Network, created in 2005, represents a radical change in the way research, data and information on the future employment, skills and training needs of the construction industry is collected and produced. Created by ConstructionSkills, the Sector Skills Council for Construction, with the technical expertise of Davis Langdon and Experian, it draws in the knowledge and experience of Government, Sector Skills Councils, construction companies, education and training providers, regional agencies and customers across the UK. This unique collaboration means the Construction Skills Network provides, as near as possible, a consensus view of the current and future skills and training needs of the industry.

For more information about a career in the construction industry go to www.bconstructive.co.uk. A full copy of The Blueprint for UK Construction Skills 2006-2010 can be downloaded at www.constructionskills.net from 1 June 2006.

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Notes to editors

Although not exhaustive, the following tables highlight more interesting findings from the survey which were not covered in the press release due to space restrictions.

Fig 1. Average annual requirement by occupation: 2006-2010

	Average annual requirement 2006-2010
Managers	10,530
Clerical	8,610
Engineering, IT & other Professionals	4,790
Technical Staff	3,260
Wood Trades	11,090
Bricklayers	4,730
Painters & Decorators	3,620
Plasterers	1,780
Roofers	1,750
Floorers	1,510
Glaziers	990
Other Specialist Building Operatives	2,370
Scaffolders	900
Plant Operatives	1,780
Plant Mechanics/Fitters	1,920
Steel Erectors/Structural	1,150
General Operatives	1,510
Electricians*	8,130
Plumbers*	5,330
Logistics	580
Other Civil Engineering Operatives	1,390
Total (SIC 45)	77,720
Architects & Technical Engineers	9,280
Total (SIC 45 & 74.2)	87,000

Source: Construction Skills Network Model, 2006; Experian.

- Numbers are rounded to the nearest ten and may not sum to the total.

- *As part of SIC45, plumbers and electricians working in contracting are an integral part of the construction process. However we recognise that SummitSkills has responsibility for these occupations across several of the SIC45 codes (45.31 and 45.33). We are therefore grateful to SummitSkills for allowing us to include their data and ensuring that this report provides a definitive analysis of the challenges facing the construction industry.*

Fig 2: UK construction output growth rate comparison, plus total employment figures

	Total output growth 2000-2004	Total output growth 2006-2010	Number of new recruits required annually 2006-2010
East of England	19.0%	22.8%	14,590
East Midlands	28.5%	11.3%	7,650
Greater London	10.8%	18.2%	9,520
North East	16.9%	5.0%	4,360
North West	27.7%	6.6%	7,300
Northern Ireland	-8.7%	18.8%	2,620
Scotland	3.7%	8.0%	6,310
South East	12.0%	18.2%	11,710
South West	32.4%	8.0%	4,920
West Midlands	8.3%	7.7%	7,050
Wales	29.5%	12.4%	5,870
Yorkshire & the Humber	32.5%	7.5%	6,150

Fig 3 : UK Construction output 2006-2010

	Annual percentage change 2000 - 2005	Annual percentage change 2006 – 2010
Public housing	6.4%	5.0%
Private housing	4.9%	2.5%
Infrastructure	-3.4%	4.0%
Public non-housing	7.8%	3.0%
Industrial	-0.8%	0.7%
Commercial	0.3%	4.5%
All new work	2.1%	3.4%
Repair and Maintenance	3.9%	2.6%
Total Work	2.9%	3.0%

About ConstructionSkills and CITB-ConstructionSkills

ConstructionSkills is a partnership between CITB-ConstructionSkills, CIC and CITB Northern Ireland. It is one of the Sector Skills Councils tasked by the Government to implement UK-wide Sector Skills Agreements between the bodies responsible for delivering training in the UK and those that demand it.

CITB-ConstructionSkills provides assistance in all aspects of recruiting, training and qualifying the construction workforce. It also works with partners in industry and government to improve the competitiveness of the industry as a whole.

About the Construction Skills Network

The data and conclusions revealed in The Blueprint for UK Construction Skills 2006-2010 report is the result of the most thorough and comprehensive data analysis and consultation ever conducted for the construction industry.

First a series of Regional Observatory Groups and one National Group, with members drawn from Government, education and the construction industry, reviewed and tested a series of assumptions and forecasts about skills, productivity and capacity based on data, research and intelligence shared by industry bodies, Sector Skills Councils, Summit Skills and others. The Observatory Groups fed back their insight into what was really happening on the ground in every UK region, and this was then built in to the forecasting programme. Their invaluable local knowledge and experience helped ensure information never before accurately factored into labour market forecasting was taken into account. Details of specific projects, project types and sectors, completions and apprenticeships and the inflow and outflow of labour across the industry, region by region, were all built into the model, and the results were then re-assessed by the Observatory Groups.

The result is the most exhaustive and comprehensive analysis of supply and demand across the construction industry ever and one which gives us all the confidence to plan our future skills needs and target the investment needed at both a national and regional level.