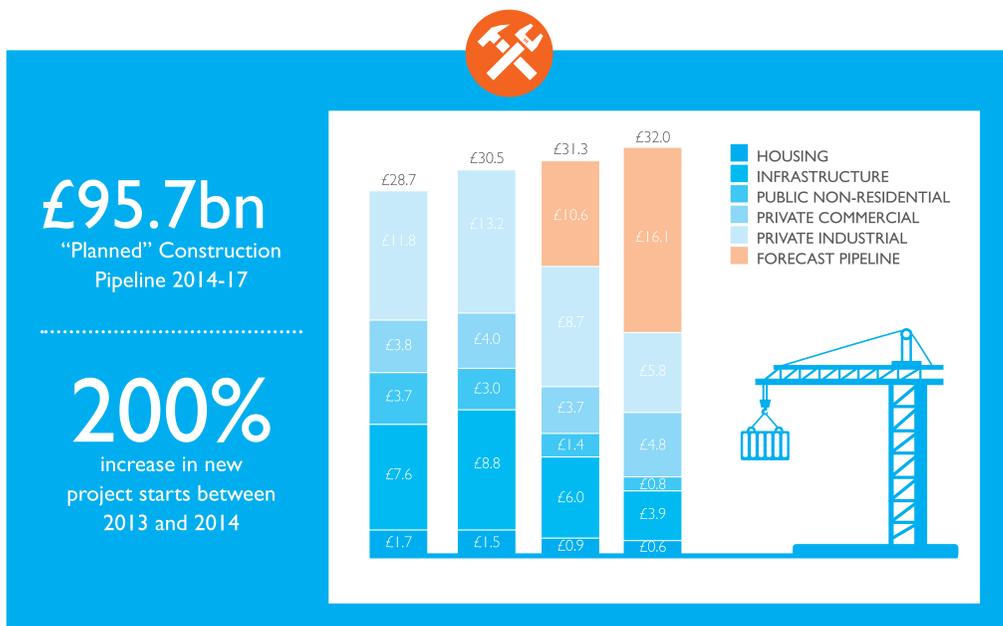


SKILLS TO BUILD

LCCI / KPMG CONSTRUCTION SKILLS INDEX (LONDON AND THE SOUTH EAST) 2014

DURING THE RECESSION THE CONSTRUCTION INDUSTRY LOST 400,000 OF ITS WORKFORCE, WITH A FURTHER 400,000 EXPECTED TO RETIRE IN THE NEXT 5-10 YEARS



£95.7bn
"Planned" Construction Pipeline 2014-17

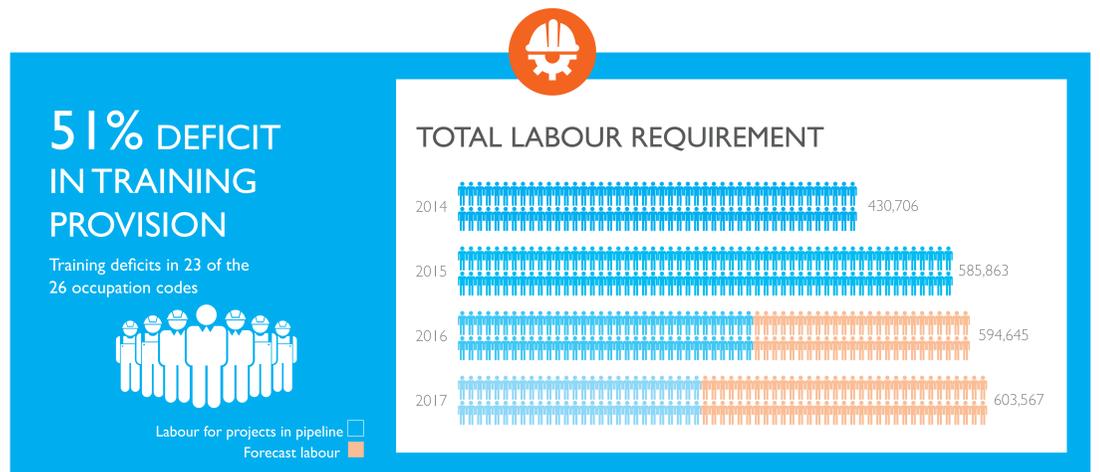
200%
increase in new project starts between 2013 and 2014



AT LEAST 20% MORE LABOUR REQUIRED IN 2014-2017 COMPARED TO 2010-2013

The forecast pipeline means this could be significantly higher

UNLESS THE SUPPLY OF CONSTRUCTION WORKERS IS INCREASED, THE DELIVERY OF HOUSING AND LARGE INFRASTRUCTURE PROJECTS WILL BE JEOPARDISED



51% DEFICIT IN TRAINING PROVISION

Training deficits in 23 of the 26 occupation codes

255,558
WORKERS REQUIRED ON SITE TO DELIVER 87,740 HOMES IN THE 2015 PIPELINE

304,288
WORKERS REQUIRED ON SITE TO DELIVER THE ANNUAL TARGET OF 110,320 HOMES*

48,730 SHORTFALL

* As indicated in the Strategic Housing Market Availability Assessment (SHMAA) 2013

- Recommendation 1:** Infrastructure UK should drive a commitment to embed skills and employment requirements in public procurement contracts, aimed at both Tier One contractors and suppliers
- Recommendation 2:** Local authorities should employ more flexible definitions of local labour when setting Section 106 requirements to allow apprentices to move across boroughs and complete their training
- Recommendation 3:** The Government should fund schools to provide obligatory, quality and unbiased careers advice from Year 7, and make it a requirement that they submit an annual careers report, evaluating the range of careers and training options covered
- Recommendation 4:** Schools should be evaluated on the basis of destination measures, which should include progression into apprenticeships and employment, as well as further academic study
- Recommendation 5:** To ensure that new apprentices and trainees arriving on site are able to meet minimum industry expectations, the Skills Funding Agency should fund pre-employment qualifications and look to extend this to competency tickets
- Recommendation 6:** The Skills Funding Agency should convene industry bodies and representatives to redesign training and apprenticeship frameworks to reflect modern methods of construction and disseminate them for adoption by training providers
- Recommendation 7:** Local and regional authorities should maintain and share a pipeline of future projects, with skills responsibility and funding devolved to the most appropriate level of functional economic activity, to enable the commissioning of demand-led training provision
- Recommendation 8:** The Government must review the impact of proposed changes to the apprenticeship funding system to minimise the financial and administrative burden on SMEs, and increase the level of funding given to apprentices between 19 and 23 years of age to encourage the acquisition of higher-level qualifications

#skillsgap

Visit londonchamber.co.uk/research