

# ConstructionSkills Network 2010-2014 South East

LABOUR MARKET INTELLIGENCE



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Labour Market Intelligence



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For more information about ConstructionSkills, please visit our [website](#).

ConstructionSkills is the Sector Skills Council for construction, tasked by Government to ensure the UK's largest industry has the skilled workforce it requires. Working with Government, training providers and employers, it is responsible for ensuring that the industry has enough qualified new entrants and that the existing workforce is fully skilled and qualified, as well as for improving the performance of the industry and the companies within it.



# Summary - South East

Total construction output in the South East is expected to increase at an annual average rate of 0.8% between 2010 and 2014, weaker than the UK's average of 1.7%. This muted growth will be largely due to a relatively stronger performance from the new work sector, with repair and maintenance (R&M) likely to see an annual average decline in output over the period. Employment in the region is predicted to total around 322,900 in 2014, 0.1% lower than 2010's level.



## Regional comparison 2010-2014

	Annual average % change in output	Growth in total employment	Total Annual Recruitment Requirement
North East	0.6%	4,660	3,190
Yorkshire and Humber	1.6%	7,040	2,220
East Midlands	2.6%	10,220	5,260
East of England	3.8%	20,760	7,350
Greater London	2.0%	3,620	3,300
South East	0.8%	-280	2,330
South West	0.4%	1,480	3,020
Wales	2.5%	10,390	5,030
West Midlands	1.5%	9,460	4,050
Northern Ireland	1.1%	1,380	720
North West	0.1%	3,190	4,100
Scotland	2.8%	21,100	7,220
<b>UK</b>	<b>1.7%</b>	<b>93,010</b>	<b>47,790</b>

Source: CSN, Experian  
Ref. CSN Explained Section 4, Note 2

Total construction output in the South East is expected to increase at an annual average rate of

# 0.8% between 2010 and 2014

## Key findings

The infrastructure sector is expected to be the most buoyant over the 2010–2014 period, increasing at an annual average rate of 6.7%. Work started on the M25 widening work in Spring 2009, with the project due to be completed in time for the Olympics in 2012. In addition, the £425m redevelopment of Reading station is expected to get underway in 2010 and work is due to be finished in 2015.

Output in the public non-housing sector is expected to decline in each year of the forecast period, as the government significantly scales back expenditure in order to contain its ballooning deficit. However, the South East relies much less than other regions and devolved nations on the public sector to fund investment in construction and thus may not be as badly affected as other areas of the UK. The annual average decline in public non-housing output is predicted to be 3.9% over the period to 2014. The public housing sector is likely to be affected by cuts in investment, with the next Affordable Housing Programme (AHP) unlikely to see any significant increase. However, the sector is expected to fare well in the shorter term, with work on the current AHP continuing, along with developments benefiting from the Kickstart programme.

The private housing sector is predicted to return to growth in 2010 and output will increase in each year of the forecast period. There have been some recent signs of an upturn in the housing market and the recovery will strengthen over the coming months, as the macroeconomic climate continues to improve and consumer confidence picks up. There are concerns that the recent month-on-month house price rises are more reflective of restricted supply rather than a sustained recovery in demand, although demand should rise as credit conditions continue to ease and concerns about job security begin to abate.

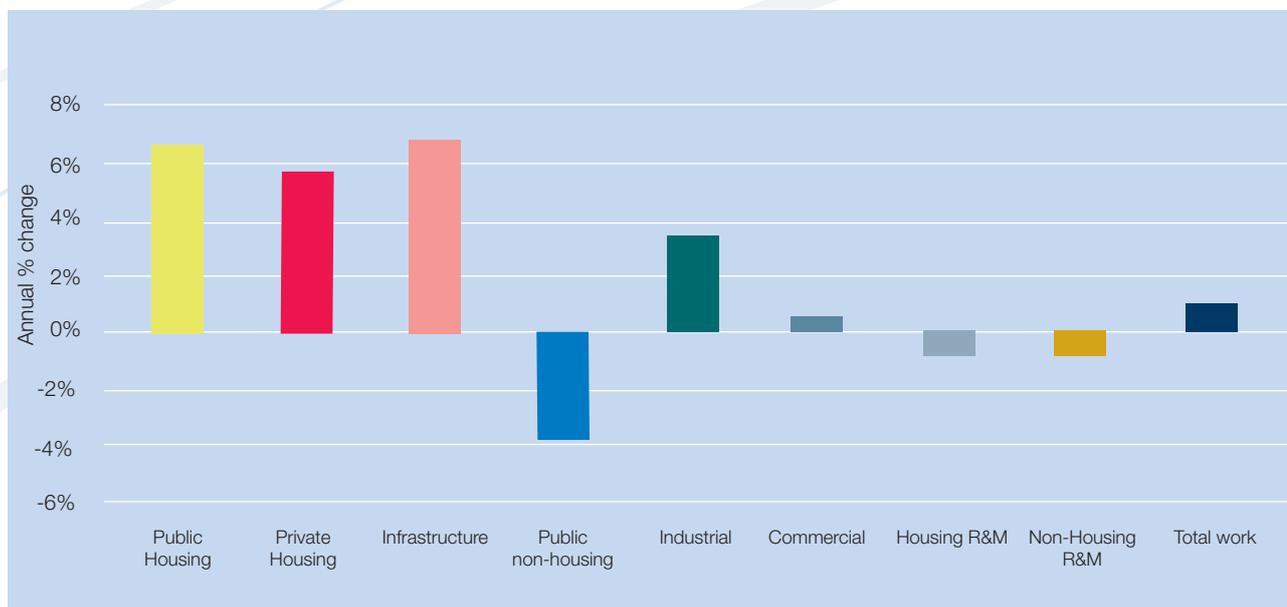


The New Medway Bridge, Kent

Construction employment in the region is expected to total 322,890, a very slight decline of 0.1% on the projected level for 2010 and 14% lower than employment in 2008. Wood trades and interior fit-out was the largest trade occupational groups in the South East, accounting for 10% of total construction employment in the region. The strongest construction-specific employment growth between 2010 and 2014 is forecast for civil engineering operatives nec\* (47%) and plant operatives (31%).

The annual recruitment requirement for the South East is 2,330, with demand expected to be strongest for painters and decorators (340) and civil engineers (320).

## Annual average construction output growth 2010-2014 - South East



Source: CSN, Experian  
Ref. CSN Explained Section 4, Note 2

\* nec - not elsewhere classified

# 2 The outlook for construction in the South East

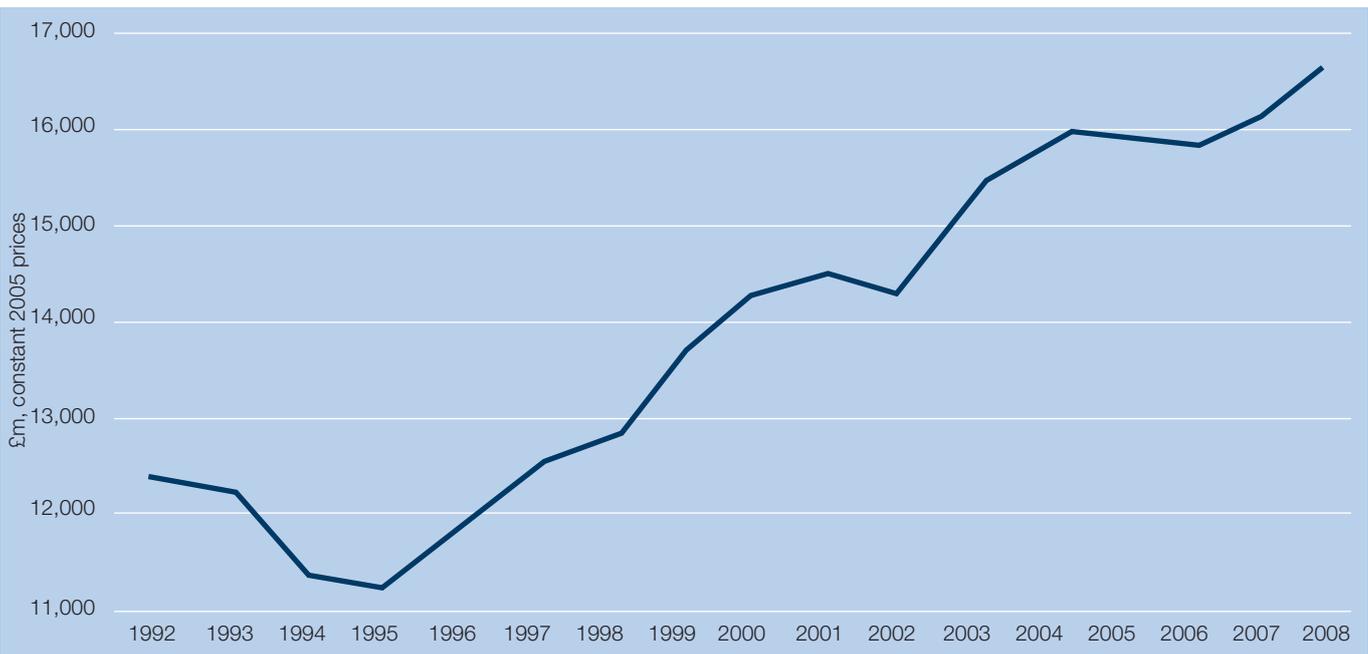
## 2.1 Construction output in the South East - overview

Total construction output in the South East rose by 3% to £16.6bn, in 2005 prices, in 2008. New work output rose by 4%, whilst the R&M sector saw slightly weaker growth of 2%.

The commercial construction sector was the most buoyant in 2008, as output rose 23% to a record high of £3.4bn. The public non-housing sector was the only other new work one to see any significant growth

as output rose 19% during the year, although infrastructure output increased by a weak 1% to £737m. The strongest decline was in the public housing sector, where output fell by 16% to £476m, rather surprising given that the region has benefitted quite strongly from the AHP, however in some cases funding has been a bit slow to filter through. The decline in the private housing sector was not much weaker, with output falling 14%, hardly unexpected given the tough conditions in the housing market, particularly towards the end of the year.

### Construction output 1992-2008 - South East



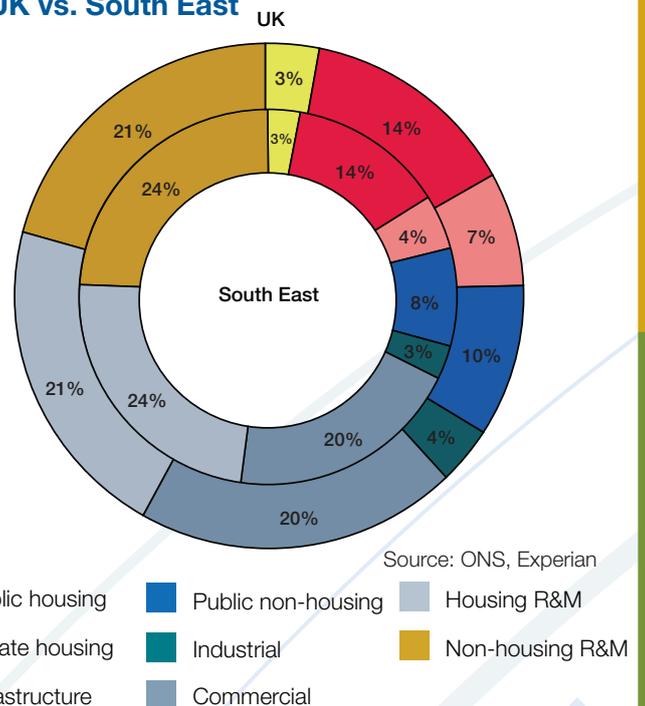
Source: ONS  
ref. CSN Explained, Section 4, Note 1

## 2.2 Industry structure

The diagram, Construction Industry structure 2008 – UK vs. the South East, shows the sector breakdown of the industry in the South East compared to that in the UK. The percentages show what proportion of total construction output each sector accounts for.

One of the main differences between the structure of the construction sector in the South East and that of the UK is the relatively large size of the R&M sectors in the region. In the UK, the R&M sectors account for 42% of output, whilst in the South East they take a 48% share, consequently, there are a number of new work sectors in the region that are relatively less important than they are in the UK as a whole. The region's infrastructure sector takes a 4% share, compared with 7% in the UK, whilst public non-housing output accounts for 8% of construction output in the region, compared with a national figure of 10%.

### Construction industry structure 2008 - UK vs. South East



Source: ONS, Experian

\* nec - not elsewhere classified

## Economic structure - South East (£ billion, 2005 prices)

Selected Sectors	Actual	Forecast Annual % change, real terms					
	2008	2009	2010	2011	2012	2013	2014
Public services	37	0.0	0.5	0.5	0.6	0.8	1.0
Financial and business services	46	-3.1	1.5	4.3	4.4	4.4	4.4
Transport and communications	13	-5.3	0.8	3.2	3.1	2.9	2.9
Manufacturing	19	-9.1	1.7	2.7	2.1	2.0	1.9
Distribution, hotels and catering	26	-4.6	2.6	2.5	2.5	2.4	2.3
<b>Total Gross Value Added (GVA)</b>	<b>170</b>	<b>-3.9</b>	<b>1.0</b>	<b>2.4</b>	<b>2.2</b>	<b>2.1</b>	<b>2.3</b>

Source: Experian  
Ref. CSN Explained, Section 4, Note 3

### 2.3 Economic overview

The expected performance of a regional or national economy over the forecast period from 2010 to 2014 provides an indication of the construction sectors in which demand is likely to be strongest.

### 2.4 Economic structure

In 2008, Gross Value Added (GVA) in the South East was just under £170bn (in 2005 prices), an increase of 1.1% on the previous year. The region's GVA accounted for 14.3% of the UK total.

The financial and business services sector accounted for 27% of output in the South East in 2008, in line with its share across the UK as a whole. The sector has seen its importance in the region increase since the beginning of the decade as it had a 23% share of output in 2000.

Public services is also an important sector in the region, taking a 22% share of output in 2008, again in line with the UK average. The sector's contribution to GVA in the South East has remained fairly constant in recent years, accounting for between 21% and 22% of GVA since 2000.

### 2.5 Forward looking economic indicators

Following a marked fall in output in 2009, GVA in the South East is expected to return to growth in 2010. The annual average growth rate is forecast to be 2% over the 2010–2014 period, above the UK figure of 1.6%. By far the strongest growth is expected in the financial and

business services sector, with an average increase of 3.8% per year, whilst the weakest is in public services where output is expected to rise by just 0.7%.

Real household disposable income in the South East is expected to rise by around 8% between 2010 and 2014, stronger than across the UK as a whole. The rise in household spending is forecast to increase by a similar proportion, which is slightly weaker than the national figure of 9%. Given the relatively strong output growth predicted in the region, it is not surprising that the outlook for employment is not too bad. Employment is expected to fall in 2010, before returning to growth in 2011 and rising for the remaining years of the forecast period.

According to the Department for Communities and Local Government (CLG), house prices in the South East fell by just 0.4% in 2008, taking the region's average house price to £265,829. This was a smaller fall than in the UK as a whole, where the rate of house price deflation was 1.1% during the year. House prices in the South East began to fall in the third quarter of 2008, declining 3.1% from a year earlier, before accelerating to 13.6% in the three months to January 2009. Annual house price deflation eased to 7.6% in the third quarter of the year.

Households in the South East are, on average, much more indebted than in the UK as a whole, with the region's debt-to-income ratio reaching 2.5 in 2008, compared with the UK figure of 1.7. As is the case across the UK as a whole, the debt-to-income ratio in the South East will fall throughout the forecast period, but will still remain just above 2.0 in 2014.

## Economic indicators - South East (£ billion, 2005 prices - unless otherwise stated)

	Actual	Forecast Annual % change, real terms					
	2008	2009	2010	2011	2012	2013	2014
Real household disposable income	129	2.2	3.3	2.8	1.3	1.4	2.4
Household spending	129	-3.1	0.6	1.6	1.9	2.2	2.5
Debt:income ratio	2.5	-2.7	-5.8	-5.5	-2.8	-1.0	-1.1
House prices (£'000, current prices)	266	-8.9	2.4	2.3	3.5	3.6	3.6
LFS unemployment (millions)	0.19	39.6	12.9	-8.3	-15.6	-17.3	-11.7

Source: ONS, DCLG, Experian

## New work construction orders - South East (£ million, current prices)

	Actual	Forecast Annual % change, real terms				
	2008	2004	2005	2006	2007	2008
Public housing	318	6.6	7.8	45.6	14.0	-27.3
Private housing	1,250	21.5	15.4	-4.8	6.2	-34.9
Infrastructure	431	5.4	121.8	-64.5	62.5	-34.0
Public non-housing	1,111	3.5	22.0	-14.1	11.3	17.8
Industrial	361	-22.4	30.5	14.7	-32.9	19.0
Commercial	2,603	19.2	15.4	19.8	4.2	25.4
<b>Total new work</b>	<b>6,074</b>	<b>11.3</b>	<b>28.0</b>	<b>-7.1</b>	<b>7.6</b>	<b>-4.1</b>

Source: ONS  
Ref. CSN Explained, Section 4, Note 4

### 2.6 New construction orders - overview

Construction orders in the South East totalled £6.1bn, in current prices, in 2008, 4% lower than 2007's record high.

New orders in the private housing sector saw the most marked fall, declining 35% to £1.25bn. The infrastructure and public housing sectors also saw strong falls, with new orders declining by 34% and 27%, respectively, although the lower relative values of new orders mean that changes can be magnified. At the other end of the scale, commercial new orders jumped by 25% to a new record high of £2.6bn. New industrial orders also rose, increasing by 19% to £361m.

### 2.7 New construction orders - current situation

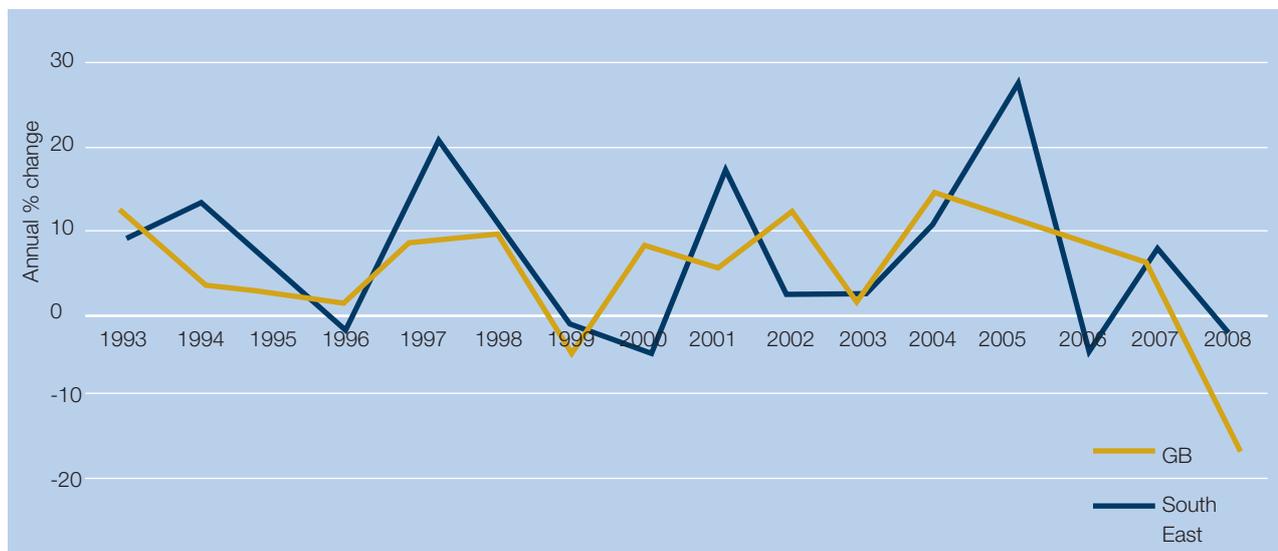
New construction orders continued to decline in 2009, and at a stronger pace. Totalling £3.6bn, in current prices, in the nine months to September 2009, new orders were 26% lower than in the

corresponding period of 2008.

The infrastructure sector was the only one to see growth of new orders in the first three quarters of 2009. They jumped 204% from a year earlier to total £823m. This was primarily due to contracts being let for the M25 widening scheme. New orders in the public non-housing sector totalled £771m, a decline of 13% on a year earlier, after reaching a new record high in 2008.

The strongest fall was in commercial new orders, which declined 60%, year-on-year, in the nine months to September 2009. Even though this was compared with a particularly buoyant outturn in 2008, the marked decline is unsurprising given that most large mixed-use schemes have been postponed due to the poor economic conditions. New orders in the industrial sector fell at an annual rate of 34% in the first three quarters of 2009 as the double whammy of the bleak state of the manufacturing sector and the natural end to the boom in warehouse building took effect.

### New construction orders growth 1993-2008 - South East vs. GB



Source: ONS  
Ref. CSN Explained, Section 4, Note 4

## 2.8 Construction output – short-term forecasts (2010–2011)

Regional Office for National Statistics (ONS) output statistics are published in current prices and are thus inclusive of any inflationary effect. At the time of writing, ONS construction output statistics are only available for the first two quarters of 2009.

Construction output in the South East fell at an annual rate of 14% in the first half of 2009, and by a slightly weaker 11% when compared with the second half of 2008. Output totalled £8.2bn, in current prices, in the six months to June 2009. The new work sector fared worse, with output falling by 17% from the corresponding period of 2008. The repair and maintenance sector saw a weaker contraction of 11%.

The short-term outlook for the construction sector in the South East is rather weak. Output is expected to contract in both 2010 and 2011, and at an annual average rate of 2.1%. The forecast for the repair and maintenance sector is particularly bleak, with output expected to fall at an average rate of 4% per year.

This overall weak performance by the region's construction industry masks significant sectoral variations. In the short term, the infrastructure sector is forecast to see very buoyant growth as work on the Reading station upgrades gets underway in earnest early in 2010. In addition, work started on the M25 widening scheme in 2009 and is expected to continue until 2012. Average annual growth in the sector is forecast to be 11.7%.

Output in the public housing sector will also increase markedly, rising at an average rate of 10.5% in 2010 and 2011. Funding from the AHP has been slow to filter through, however allocations have been increasing and this will boost output in the short term. In addition, the South East has benefited from £35m of investment under the first phase of the Kickstart Housing Delivery programme, aimed at helping stalled mixed-tenure housing developments restart. This investment should fund the development of 960 homes in the region, boosting both public and private housing.

In contrast, the commercial sector will continue to be badly affected in the short term, as developers wait for significant improvements in demand for office, retail and leisure facilities before starting new projects, or restarting mothballed sites. Demand is likely to remain weak in the short term, and commercial construction output will decline at an annual average rate of 7.9% between 2010 and 2011. It is interesting to note that the very strong increase in commercial construction orders in 2008 has not translated into rising output in 2009, strongly indicating a high level of stalled projects in the sector.

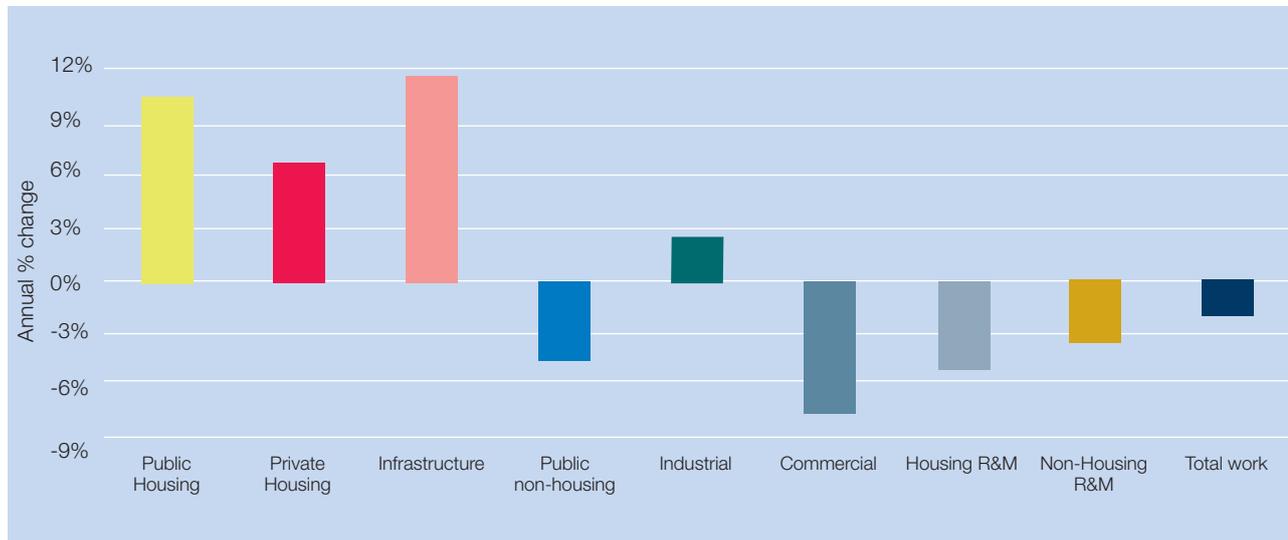
### Construction output - South East (£ million, 2005 prices)

	Actual	Forecast annual % change			Annual average
	2008	2009	2010	2011	2010-2011
Public housing	476	-28%	11%	10%	10.5%
Private housing	2,269	-15%	5%	7%	6.2%
Infrastructure	737	7%	14%	10%	11.7%
Public non-housing	1,388	8%	-3%	-7%	-5.4%
Industrial	427	-22%	0%	6%	2.7%
Commercial	3,403	-14%	-8%	-8%	-7.9%
<b>New work</b>	<b>8,698</b>	<b>-10%</b>	<b>-1%</b>	<b>0%</b>	<b>-0.4%</b>
Housing R&M	3,980	-8%	-6%	-3%	-4.6%
Non-housing R&M	3,952	-12%	-3%	-4%	-3.3%
<b>Total R&amp;M</b>	<b>7,931</b>	<b>-10%</b>	<b>-5%</b>	<b>-3%</b>	<b>-4.0%</b>
<b>Total work</b>	<b>16,630</b>	<b>-10%</b>	<b>-2%</b>	<b>-2%</b>	<b>-2.1%</b>

Source: Experian

Ref. CSN Explained, Section 4, Notes 1 and 2

## Annual average construction output growth 2010-2011 - South East



Source: Experian  
Ref. CSN Explained, Section 4, Note 2

### 2.9 Construction output – long-term forecasts (2010–2014)

The longer term outlook for construction in the South East is muted. The annual average growth rate for the 2010 to 2014 period is just 0.8%, well below the UK figure of 1.7%. This outlook is due to a weak performance by the R&M sector, which is forecast to see an annual average decline of 0.8% over the period to 2014. In contrast, new work output is expected to increase at an average rate of 2.2% per year. In 2014, total construction output in real terms is still expected to be around 6% below its 2008 level.

Of the new work sectors, public non-housing is the only one expected to see output decline in each year of the forecast period. However, the rate of contraction is expected to be only moderate and will ease to just 0.1% in 2014, in contrast to the double-digit declines seen in many other regions and nations. This is due to the fact that the South East is much less reliant on the public sector to fund construction and thus it is likely to be less affected by public funding cuts. In Waves 1 to 4 of the Building Schools for the Future (BSF) programme, the region is due to benefit from just £151m of conventional public funding, by far the smallest amount of any region.

However, the commercial sector is expected to see only weak annual average growth over the 2010 to 2014 period, although output will begin to increase in 2012, having fallen markedly in 2010 and 2011. Demand for commercial buildings will pick up in the longer term, as the macroeconomic climate continues to improve, and it is only then that developers will restart stalled sites and begin new development. The annual average growth rate for the sector is forecast to be 0.4% between 2010 and 2014.

The private housing sector was hit particularly hard by the credit crunch and the subsequent recession. However, there have been some tentative signs of improvement in market conditions in recent months, and the recovery is likely to strengthen over the coming months. Further signs of strengthening will provide the impetus for housebuilders to start building again. The sector is expected to see an annual average growth rate of 5.7% over the forecast period, although growth will ease slightly towards the end of the period.

The most buoyant sector over the forecast period is expected to be infrastructure, with output increasing at an annual average rate of 6.7%. That said, growth is predicted to be particularly strong in the shorter term, as work continues on the M25 widening programme, due to be completed in time for the Olympics in 2012, and the £425m redevelopment of Reading station begins in earnest. However, the station redevelopment is not due to be completed until 2015 and work on this will provide a solid output stream over the whole 2010-2014 period.

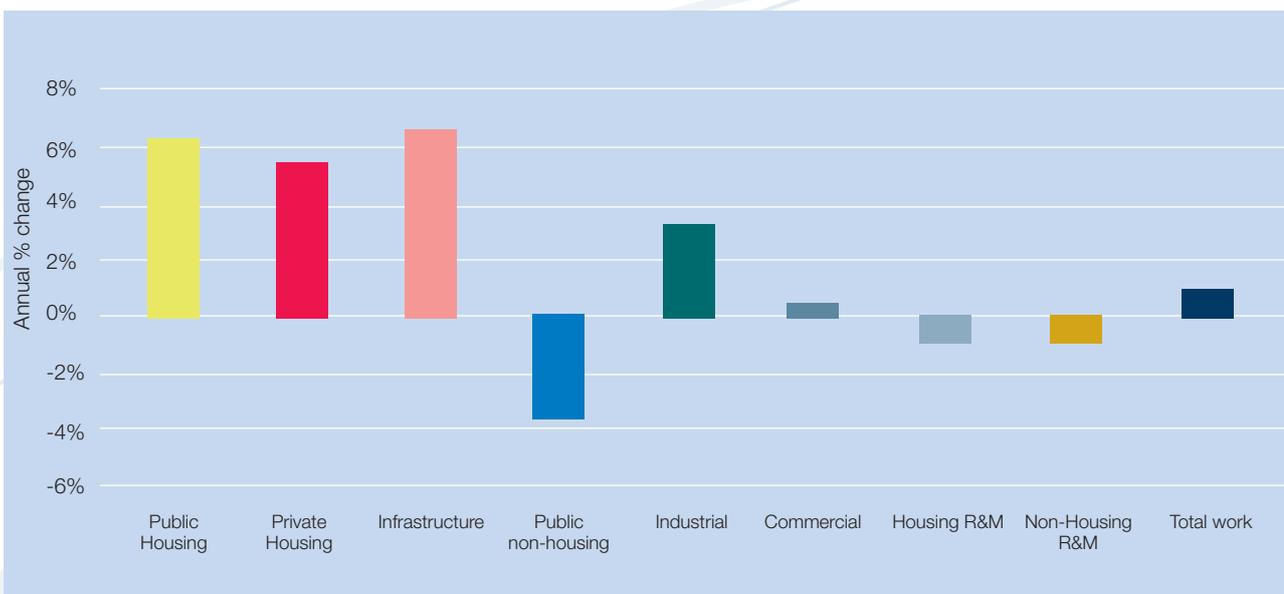
The outlook for the R&M sectors is muted in the longer term with housing and non-housing R&M sectors both returning to growth in 2012, although rates of increase will only be modest. On the housing R&M side, the deadline for the Decent Homes programme is 2010, and with little funding available for future work, the public housing R&M sector will depress total housing R&M output. The expected recovery in consumer confidence and spending will drive growth on the private housing R&M side.

## Construction output - South East (£ million, 2005 prices)

	Actual	Forecast annual % change					Annual average
	2009	2010	2011	2012	2013	2014	2010-2014
Public housing	344	11%	10%	2%	5%	5%	6.3%
Private housing	1,932	5%	7%	7%	7%	3%	5.7%
Infrastructure	792	14%	10%	2%	4%	5%	6.7%
Public non-housing	1,502	-3%	-7%	-5%	-4%	0%	-3.9%
Industrial	332	0%	6%	6%	3%	2%	3.3%
Commercial	2,913	-8%	-8%	3%	7%	9%	0.4%
<b>New work</b>	<b>7,815</b>	<b>-1%</b>	<b>0%</b>	<b>3%</b>	<b>5%</b>	<b>5%</b>	<b>2.2%</b>
Housing R&M	3,669	-6%	-3%	3%	2%	1%	-0.8%
Non-housing R&M	3,487	-3%	-4%	1%	1%	1%	-0.8%
<b>Total R&amp;M</b>	<b>7,155</b>	<b>-5%</b>	<b>-3%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>-0.8%</b>
<b>Total work</b>	<b>14,970</b>	<b>-2%</b>	<b>-2%</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>0.8%</b>

Source: CSN, Experian  
Ref. CSN Explained, Section 4, Note 2

## Annual average construction output growth 2010-2014 - South East



Source: CSN, Experian  
Ref. CSN Explained, Section 4, Note 2

# 3 Construction employment forecasts for the South East

## 3.1 Total construction employment forecasts by occupation

The table presents actual construction employment (SIC 45 and 74.2) in the South East for 2008, the forecast total employment in 26 occupational groups and in the industry as a whole between 2010 and 2014. A full breakdown of occupations is provided in Section 5 of CSN Explained.

Construction employment in the South East, including SIC 45 and 74.2, is forecast to total 322,890 in 2014. This is 0.1% lower than the projected total for 2010 and 14% below 2008's figure. Employment levels are expected to fall substantially in 2010 and 2011, before increasing, year-on-year, in the remaining years to 2014. The weak outlook for construction employment in the region is not entirely unexpected given that an average output growth is expected to be just 0.8% over the forecast period and R&M output, which is the more labour-intensive sector, is likely to see an annual average decline in output. Also the larger part of an output forecast of 1% a year or less is likely to be taken up by productivity gains, especially if the growth is centred in the new work sectors rather than R&M.

The largest trade occupational group in the South East in 2008 was wood trades and interior fit-out, accounting for 10% of total construction employment in the region, a smaller percentage than in the UK as a whole at 11%. Employment in this occupational group is forecast to decline by 6% between 2010 and 2014, however it will still remain the largest trade occupational group in 2014.

Although total construction employment is expected to see a slight decline between 2010 and 2014, there are a number of occupations that are forecast to see marked growth. The strongest increase is expected to be for civil engineering operatives nec\* (47%) and plant operatives (31%). However, the largest increase in absolute terms is for labourers nec\*, followed by civil engineering operatives nec\*. Employment is expected to decline in 14 of the 26 occupational groups over the 2010–2014 period. The most marked falls are expected for bricklayers at -13%, along with roofers, floorers and glaziers with forecast falls of -11%. All of these four occupational groups have a large presence in the R&M sectors, hence the projected declines in employment.

Total construction employment forecasts by occupation	Actual 2008	Forecast	
		2010	2014
Senior, executive, and business process managers	17,290	14,530	14,940
Construction managers	40,560	33,900	33,270
Non-construction professional, technical, IT, and other office-based staff	48,710	42,810	42,870
Wood trades and interior fit-out	37,400	32,020	29,940
Bricklayers	14,990	11,970	10,390
Building envelope specialists	17,490	14,440	13,070
Painters and decorators	19,750	17,910	17,590
Plasterers and dry liners	5,490	4,700	4,820
Roofers	6,330	4,990	4,440
Floorers	6,500	5,390	4,800
Glaziers	6,160	5,820	5,370
Specialist building operatives nec*	8,020	6,840	6,090
Scaffolders	3,780	2,930	3,630
Plant operatives	5,840	5,480	7,170
Plant mechanics/fitters	5,260	4,880	4,670
Steel erectors/structural	4,100	3,170	3,000
Labourers nec*	18,040	14,530	17,730
Electrical trades and installation	23,580	20,700	18,670
Plumbing and HVAC Trades	28,070	23,230	20,710
Logistics	3,990	3,220	3,940
Civil engineering operatives nec*	6,780	6,190	9,130
Non-construction operatives	3,530	3,430	4,770
Civil engineers	5,640	6,260	7,050
Other construction professionals and technical staff	23,940	21,470	22,480
Architects	5,000	4,380	4,470
Surveyors	9,390	8,000	7,880
<b>Total (SIC 45)</b>	<b>331,660</b>	<b>283,080</b>	<b>281,010</b>
<b>Total (SIC 45 and 74.2)</b>	<b>375,630</b>	<b>323,170</b>	<b>322,890</b>

Source: ONS, CSN, Experian  
Ref. CSN Explained, Section 4, Notes 5 and 6

\* nec - not elsewhere classified

### 3.2 Annual recruitment requirements (ARR) by occupation

The ARR is a gross requirement that takes into account workforce flows into and out of construction, due to such factors as movements between industries, migration, sickness, and retirement. However, these flows do not include movements into the industry from training, although robust data on training provision is being developed by ConstructionSkills in partnership with public funding agencies, Further Education, Higher Education and employer representatives. Thus, the annual recruitment requirement provides an indication of the number of new employees that would need to be recruited into construction each year in order to realise forecast output.

The ARR between 2010 and 2014 for the 26 occupational groups within the South East's construction industry is illustrated in the table. The ARR of 2,330 is indicative of the average requirements per year for the industry, as based on the output forecasts for the region. This takes into account 'churn', flows into and out of the industry, excluding training flows.

The largest ARR in the South East is for painters and decorators (340), followed by civil engineers (320) and civil engineering operatives nec\* (290) and labourers nec\* (290). As a percentage of 2010 employment, logistics is the occupation that is the most in demand with an ARR of 8%. The ARR for painters and decorators is just 2% of 2010 employment in that trade.

Please note that all of the ARRs presented in this section are employment requirements and not necessarily training requirements. This is because some new entrants to the construction industry, such as skilled migrants or those from other industries where similar skills are already used, will be able to work in the industry without the need for retraining.

Non-construction operatives is a diverse occupational group including all of the activities under the SIC 45 and SIC 74.2 umbrella that cannot be classified elsewhere, such as cleaners, elementary security occupations nec and routine inspectors and testers. The skills required in these occupations are highly transferable to other industries and forecasting such movement is hazardous given the lack of robust supportive data. Therefore the ARR for non-construction operatives is not published.

For certain occupations there will be no appreciable requirement over the forecast period, partly due to the recession creating a 'pool' of excess labour.

ARR by occupation	2010-2014
Senior, executive, and business process managers	-
Construction managers	-
Non-construction professional, technical, IT, and other office-based staff	-
Wood trades and interior fit-out	50
Bricklayers	-
Building envelope specialists	-
Painters and decorators	340
Plasterers and dry liners	-
Roofers	-
Floorers	-
Glaziers	160
Specialist building operatives nec*	90
Scaffolders	110
Plant operatives	170
Plant mechanics/fitters	-
Steel erectors/structural	<50
Labourers nec*	290
Electrical trades and installation	-
Plumbing and HVAC Trades	-
Logistics	250
Civil engineering operatives nec*	290
Non-construction operatives	-
Civil engineers	320
Other construction professionals and technical staff	-
Architects	240
Surveyors	-
<b>Total (SIC 45)</b>	<b>1,770</b>
<b>Total (SIC 45 and 74.2)</b>	<b>2,330</b>

Source: CSN, Experian  
Ref. CSN Explained, Section 4, Notes 5 and 6

\* nec - not elsewhere classified

# 4 Comparisons across the UK

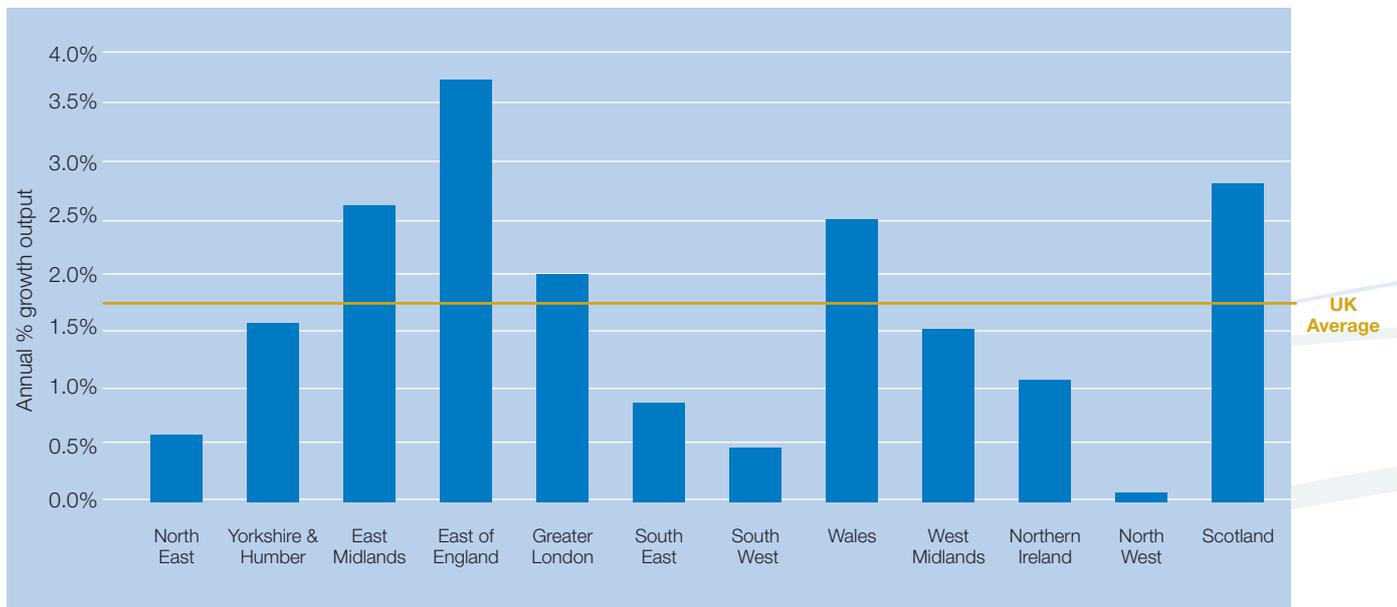
Construction output is expected to rise across all the regions and devolved nations between 2010 and 2014. The South East is one of the weaker regions, with an annual average growth rate of just 0.8%, stronger only than the South West and the North West, although significantly weaker than the projected UK figure of 1.7%.

The infrastructure sector should be the best performing market in new work in the UK. Greater London's infrastructure output growth is predicted to be especially strong driven by work on Crossrail, Thameslink, and the Thames Water programme, while the East of England is set to have a double digit growth rate as well. In the South East there are a number of significant programmes of work going on in the infrastructure sector, including M25 widening and the redevelopment of Reading station, which is due to start in 2010. For

the region, the infrastructure sector will see average growth of 6.7% over the 2010–2014 period, although growth will be stronger in the shorter term.

The sharp growth in public debt and consequent public expenditure cuts to control it is likely to substantially affect the public non-housing sector, particularly programmes of work such as BSF. All regions and devolved nations are likely to be affected and how badly will be dependant on their exposure to such programmes as the BSF relative to the overall size of their public non-housing market. In the case of the South East, the impact is likely to be less severe than in many other parts of the UK, as the region is less reliant on public funding for construction. However, public non-housing output in the region is still expected to fall in each year of the forecast period.

## Annual average output growth by region 2010 - 2014



Source: Ref. CSN Explained, Section 4, Note 2

In the South East significant infrastructure programmes will give an average growth of

# 6.7%

for the sector between 2010–2014.

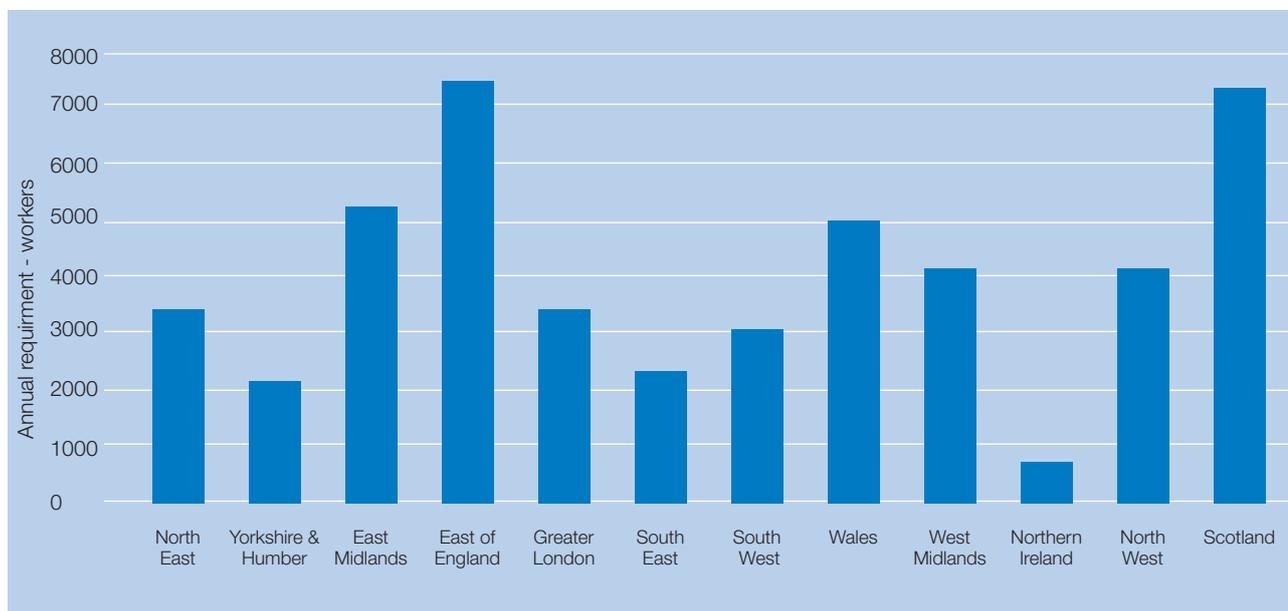
The housing market is expected to start to recover from 2010 across the UK as a whole as economic conditions improve and demand increases. However, some regions and devolved nations where demographic factors are stronger, such as the East Midlands and the East of England, are expected to experience high levels of household formation over the long term and will experience stronger growth than others. The South East will see one of the stronger annual average growth rates in private housing, not least because it has one of the higher rates of household formation through to 2016.

The South East is the only region to see a fall in employment between 2010 and 2014, not entirely unexpected given the weak outlook for

the construction sector over that time. The R&M sectors, which are more labour-intensive than new work, account for a larger proportion of output in the region, and the very lacklustre performance of these sectors over the forecast period helps to explain the marginal decline in employment. Employment levels are expected to decline by 280 between 2010 and 2014.

The region's ARR is also one of the smaller ones at 2,330, despite the fact that the South East is the second largest construction market after Greater London. The relatively low ARR is again reflective of the poor prognosis for the R&M sectors in the region over the forecast period.

### Annual recruitment requirement (ARR) by region 2010 - 2014

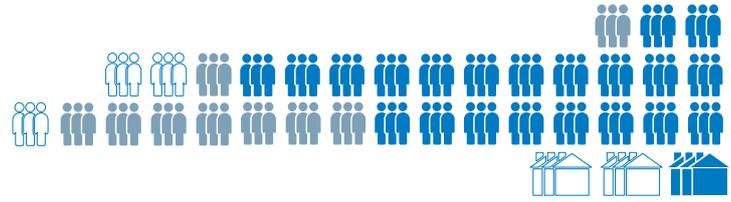


Source: CSN, Experian



The South East is the only region to see a fall in employment between

# 2010 and 2014.



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For more information about the **Construction Skills Network**, contact:

**Sandra Lilley**  
 CSN Manager  
 0300 456 7933  
 sandra.lilley@cskills.org

<http://www.cskills.org/contact-us/offices.aspx>

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