CIOB
THE CHARTERED INSTITUTE OF BUILDING

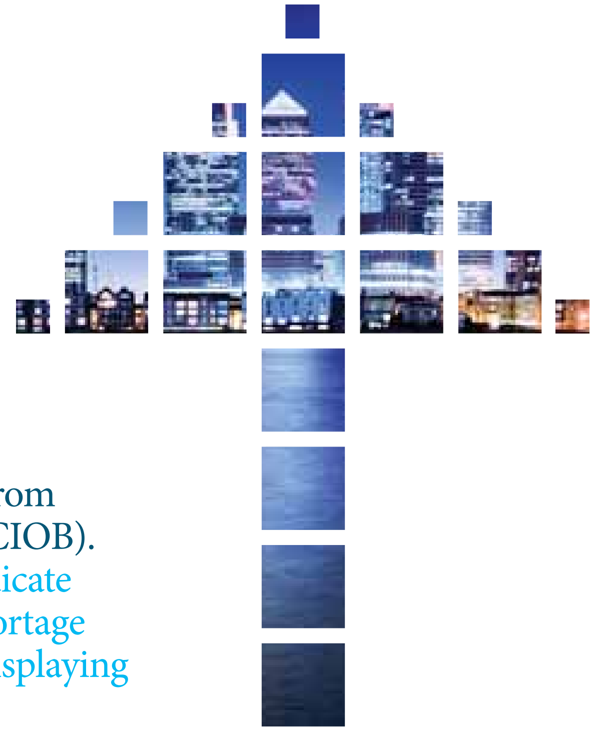
a report exploring

skills

in the UK Construction Industry

May 2011

Contents



EXECUTIVE SUMMARY

This is the fifth annual skills survey from the Chartered Institute of Building (CIOB). The key findings from this report indicate 77% of respondents believe a skill shortage exists in the construction industry, displaying a 5% increase from the 2010 survey.

By David Hawkes, Policy & Research Officer

Primarily, respondents cite the lack of skilled domestic construction personnel as the principal reason; comments indicate that a scarcity of quality training and lack of investment have led to a skills shortage. In addition, the majority of respondents highlight a lack of investment from industry and government as the primary threat to the future skills agenda.

This research examines the stance of CIOB members on the current state of construction industry skills. This 2011 report centres on the prevalence of skills shortages, how Government policy such as tuition fee rises and removal of the default retirement age will affect the workforce, recruitment practices of graduates and apprentices, and whether organisations are rewarding or making redundant their employees in what are uncertain economic climes.

The data garnered from this and previous CIOB skills surveys allow us to map trends over time. The data published in these reports from before, during and after the recession offers a unique insight into the condition of the industry's workforce over the past five years.

50% of the sample believe that the construction workforce over the course of 2011/12 will decrease, as opposed to 17% believing the workforce will increase. 64% of respondents indicate that their organisations have applied either pay decreases or pay freezes in the past year, while 21% report a pay rise.

According to almost half of respondents, construction graduates leave university with insufficient levels of technical knowledge. In addition, respondents believe that graduates lack decision-making and problem solving skills. As a counter to these points, the majority of respondents believe utilisation of work placements and greater integration between industry and academia would assist in addressing the lack of these specific skills. 42%, a majority, of respondents think that the standards of teaching at universities and colleges in built environment courses do not meet the current and future needs of the construction industry.

The removal of the UK default retirement age (DRA) will lead to an ageing workforce, according to 57% of respondents. However, this is not necessarily a negative effect, as an increase in mentoring, reinforcement of the value older workers have on firms, and the transference of skills to younger generations are highlighted as other effects that the DRA removal will have.

68% of the sample believe fewer students will enter construction courses at universities in England and Wales as a result of the tuition fee rises that come into effect in 2012. More personnel will enter the industry via apprenticeships or internships, according to 38%, while there will also be a rise in work-based or alternative learning provisions.

Encouragingly, respondents have reported a marked increase, compared to the 2010 CIOB skills survey, in the number of organisations recruiting apprentices (18% increase) and graduates (12% increase). One can argue that this sees the emergence of green shoots in construction industry recruitment.

INTRODUCTION

The Chartered Institute of Building is the leading professional body for construction management personnel in the global construction industry.

Established in 1834, the CIOB continues to lead the way in establishing, promoting and maintaining standards of excellence in the sector.

The CIOB draws its members from a wide range of professional disciplines, from across the building and construction supply chains. These include clients, consultants and contractors, as well as specialists in regulation, research and education.

The purpose of this research is to investigate the state of skills in construction through the perceptions of industry professionals. The CIOB will use this research to raise the awareness of the issues surrounding construction skills to industry, government, the public and, of course, our members.

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BACKGROUND INFORMATION

Previous research from the CIOB into skills has indicated that there is a severe skills shortage in the construction industry, even during the recent economic downturn when work was scarce.

In 2010, 72% of respondents believed a skills shortage existed in the UK industry alone. This figure is lower, likely as a result of the economic situation and resulting lack of available work, than the boom period of 2006, when 86% of respondents were of the opinion that a skills shortage existed.

A recent survey from Hays Recruitment of over 500 companies in China and Hong Kong indicated that construction and engineering firms in the regions were having difficulty in recruiting skilled staff. In particular, the survey illustrated a demand for Construction Managers i.e. someone who can oversee a project from inception to its end. To mitigate this skills shortage, Chinese companies often hire candidates from the UK, Australia and the United States with the relevant talents and experience.[1] In turn, this leads to a reduction in the number of skilled professionals available in these countries, which could create a wider skills gap when construction demand improves in countries such as the UK.

New policies

In the UK, the coalition Government's policies are predicted to have varying effects across the spectrum of skills in the construction industry. CIOB members' views on the below topics are explored in the results section of this report.

One such example of new policy is the removal of the default retirement age (DRA), which is to be phased out between April and October 2011. Its removal means that employers will no longer be able to use the DRA to compulsorily retire employees. Although the Government is removing the DRA, it will still be possible for individual employers to operate a compulsory retirement age, provided that they can justify it. Previous CIOB research into the ageing population and evidence from the Department for Work and Pensions indicates that the average age of the UK construction workforce is higher than the national average.[2,3] Therefore, the removal of the DRA would likely have wide-ranging impacts on the construction sector.

Another policy introduced under the UK coalition Government is the extension of paternity leave. Under the new laws, fathers can take between 2 and 26 weeks of extra paid paternity leave (in addition to the initial 2 weeks currently allowed), offset against the mother's maternity leave. The leave would be paid at £128.73 a week, or 90% of average weekly earnings if that is less. In terms of the construction sector, a highly male dominated industry, this means there is a high likelihood of firms being affected by the new paternity regulations. A recent study of 1,000 men, in all lines of work, who are or are planning to become fathers revealed that 41% would not take advantage of the new regulations at all; the primary reason for this was that they could not afford to take the time off.[4] SMEs, in particular, would be harder hit by the regulations than larger firms. Another study showed that 39% of SME owners believed small companies should be exempt from the new paternity legislation, due to the additional cost burdens this will have to the business. In construction, of which 93% of organisations are classified as SMEs, the legislation would likely have an effect on businesses.[5]

1. Chiou, P., *Skills shortage in hot China market,* CNN, 2011-03-01
2. CIOB, *The impact of the ageing population on the construction industry,* 2009
3. Department for Work and Pensions (DWP) *Managing an ageing workforce in construction,* 2006
4. uSwitch.com, *Dads too frightened of damaging their careers to take extended paternity leave,* 2011-03-28
5. uSwitchforbusiness.com, *Paternity leave 'bad for business'* 2011-03-16

BACKGROUND INFORMATION CONTINUED

While the effect on males in the industry has been discussed, the impact on mothers returning to work is an issue not to be ignored. Previous CIOB research into the changing role of women in the workplace noted that the "leaky pipeline" led to many women leaving the construction industry after starting a family.[6]

Similar findings have been found in the architecture and engineering sectors. In 2005, a recruitment company survey demonstrated that one third of women working in construction believed their employer would not be sympathetic to flexible working if they were to start a family and subsequently return to work.[7] With paternity leave being offset against the maternity leave, it is possible that employers will become more inclusive and sympathetic as women in the sector have the ability to return to work earlier than normal, as their partners (if they are non-construction personnel) take paternity leave.

The final policy, and one that has attracted the most controversy, is the increase in tuition fees in universities in England and Wales that comes into effect on all courses starting from September 2012. The policy means that universities will be able to charge students between £6,000 and £9,000 per year, which is then paid back once graduates are earning over £21,000 per year (changing annually with inflation). The primary driving force for the fee rises is as a response to the cuts to university funding from Government. Many construction managers, architects, engineers, quantity surveyors etc. in the industry are university educated. CITB-ConstructionSkills believe that the tuition fee rises will affect training in the industry, with greater emphasis on both universities and employers to invest, and will lead to more young people exploring other options, be it a career outside of construction or through an apprenticeship route.

Data from the University and Colleges Admissions Service (UCAS) shows that applications for places on built environment related courses increased in 2010 as students aimed to finalise applications before the final year of lower fees in September 2011. Engineering applications were up 7.7% on 2009 levels, while architecture, planning, construction management and surveying courses saw an average increase of 2.2%. It is predicted that, across all universities, over 100,000 students will miss out on a place on their course of choice.[8] The fee rises do not necessarily represent extra funding for the universities, as the aim is to fill the deficit left by the reduction in higher education funding from Government. Some universities may see an increase in total funding by charging the maximum £9,000, but questions surround how much will be available to fund improvements and to implement new technologies in built environment courses.

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The decrease in migrant workers

Due to the shift in EU policy resulting in additional parts of the Eurozone opening to migrant workers (in particular from Eastern Europe), personnel from open areas like the UK and Ireland have transferred to formerly-closed countries such as Germany and Italy. In effect, migrant workers will always go to where the work is; work which has significantly decreased in the UK and Ireland over the past three years. The Construction Matters (2008) report from the Department of Business, Innovation and Skills outlined that migrant workers made up 7.7% (the equivalent of over 200,000 personnel) of the entire UK construction workforce.[9] Data does not exist on the total reduction in migrant construction personnel specifically, though general data on Eastern European migrants does, which can give an overview of the effect on the construction workforce. According to the Migration Policy Institute, by the end of 2008, almost half of the 1.4 million total migrant workers from Eastern Europe based in the UK and Ireland had left. This is a direct result of severe contractions in the UK and Irish economies at the time and growing employment opportunities in countries such as Poland.[10] In addition, data from the 2010 CIOB skills survey indicated that respondents had noticed a decrease in the number of migrant workers employed within their organisations, based on levels from the 2008 and 2009 surveys.[11] New UK policy surrounding immigration, including an immigration cap, is also likely to affect the number of skilled and unskilled migrants from outside the European Economic Area (EEA) entering the industry.

The survivors

In March 2011, the BBC's *Panorama* investigated the state of UK salaries as a result of the aftermath of the recession, rates of inflation and general pay freezes/decreases provided by organisations. Construction was found to be the sector that has been hit the hardest, with the average take-home pay of an individual working in the UK construction sector reduced by £1,188 a year in real terms since 2009. This is approximately a 5% decrease in earnings over the past two years. However, construction economist Brian Green estimates that, using the RPIX measure of inflation, the average earnings of those working in construction has decreased, before tax, by as much as 10%; a figure that is unlikely to improve in the next year.[12] This demonstrates construction, at a human level, is a sector still very much being squeezed and feeling the effects of the economic downturn.

This report will later examine how personnel in the industry have been affected regarding their pay.

Green shoots?

Research from CITB-Construction Skills indicates that, in 2010, one quarter of UK construction firms reduced their training activity.[13] While this indicates training budgets have, on the whole, been cut, it can also be viewed as encouraging that, during challenging economic times, three-quarters of construction firms continued with either the same or increased levels of training activity. The data also indicated that 18% of firms are planning to reduce their training budgets in 2011; though this does represent a 7% improvement on 2010 levels.

The 2011 Budget pledged to, by 2015, create 40,000 new apprenticeships for unemployed young people, and to establish a £180m fund to assist 10,000 adult apprenticeships. Traditionally an apprentice-reliant industry, construction can only benefit from this initiative skills-wise, provided the appropriate training and badging is provided. Previous CIOB research has indicated that the lack of apprenticeship employment is one of the largest threats to the future skills agenda in the construction industry. In addition, the Budget indicated that there would be 100,000 places on a new work experience scheme over the next two years, and funding for 12 new university technical colleges (UTC), which provide technical, academic and practical training for 14-19 year olds.[14] Previous CIOB research has illustrated that construction does not have as much of a presence as a career in school-age children as other industries, which the establishment of UTCs and work experience can assist in addressing.

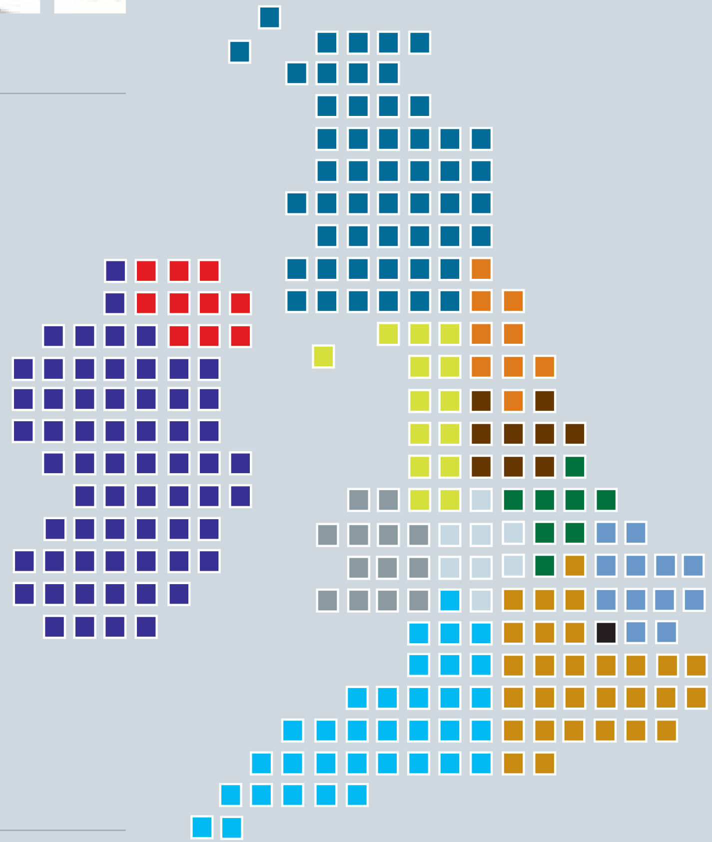
In preparation for the increase in construction activity predicted to occur from 2012 onwards, CITB-ConstructionSkills has revealed a 12% bonus on training grants awarded from August 1st 2011. This is intended to improve and enhance skills in the industry, including for apprenticeships and specialist training, in response to a likely skills shortage for when construction activity does pick up.

> Previous CIOB research has indicated that the lack of apprenticeship employment is one of the largest threats to the future skills agenda in the construction industry.

6. CIOB, *Inclusivity: The Changing Role of Women in the Construction Workforce,* 2006
7. Hill McGlynn & Associates, *Women in Construction* 2005
8. Sidders, J., Construction News, *Built environment applications soar ahead of tuition fee increase,* (2011-02-01)
9. Department for Business, Innovation and Skills (BIS), *Construction Matters (2008)*
10. Migration Policy Institute, *Migration and the Global Recession (2009)*
11. CIOB, *Skills in the Construction Industry* 2010
12. Green, B., *Panorama points to earnings pain, but the worst is yet to come,* Building (2011-03-29)
13. CITB-ConstructionSkills, *The Employer Attitudes and Motivations to Learning and Training survey* (2010)
14. 2011 Budget, HM Treasury, *http://www.hm-treasury.gov.uk/2011budget.htm,* 2011-03-23

METHODOLOGY

The survey was conducted using an internet-based questionnaire, which respondents could access through the CIOB website *www.ciob.org.uk*



The survey was conducted using an internet-based questionnaire, which respondents could access through the CIOB website (www.ciob.org.uk). Respondents were asked general demographic questions regarding their age, gender, location, job level, job sector, and the number of employees within their organisation.
An email was sent to 26,650 CIOB members informing them that the survey was online. The survey was also open to the general public and wider industry.
Certain questions were based upon previous CIOB skills surveys in order to track trends within the industry. There were both qualitative and quantitative questions in the survey, to allow respondents the opportunity to openly express their opinions.

The sample

The sample consists of 996 construction professionals, the majority of whom describe themselves as aged between 41-50 and working at a senior management level. 91% of the sample are male, and 9% are female. 97% of the sample are from the UK, with 31% of these from London and the South East of England. The majority of respondents work in contracting and project management, with 39% working for organisations that employ over 501 staff.

Fig.1
Location:

- Scotland (8.41%)
- Ireland (1.00%)
- Northern Ireland (2.51%)
- Wales (6.02%)
- North East (4.27%)
- North West (10.04%)
- Yorkshire (6.78%)
- East Midlands (6.02%)
- West Midlands (6.52%)
- East (5.14%)
- London (11.67%)
- South East (19.32%)
- South West (8.91%)
- Other (3.39%)

Fig.2
Age:

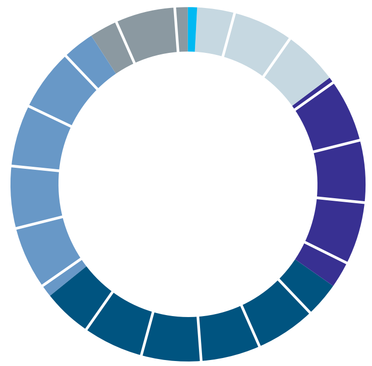


Fig.3
Gender:

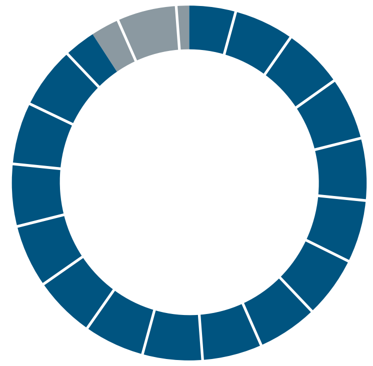
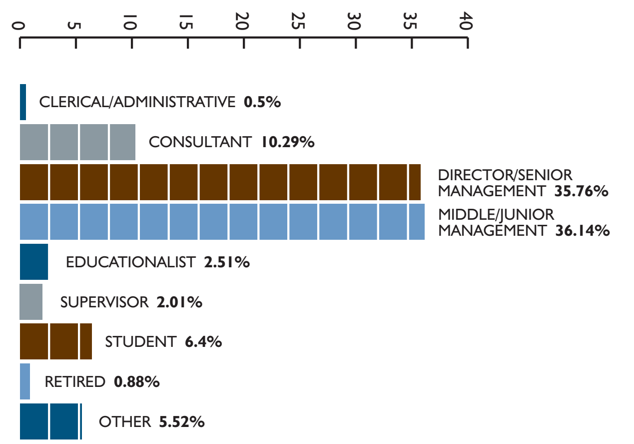


Fig.4
Current job level:



The majority of respondents work in contracting and project management, with 39% working for organisations that employ over 501 staff.

Fig.5
Sector:

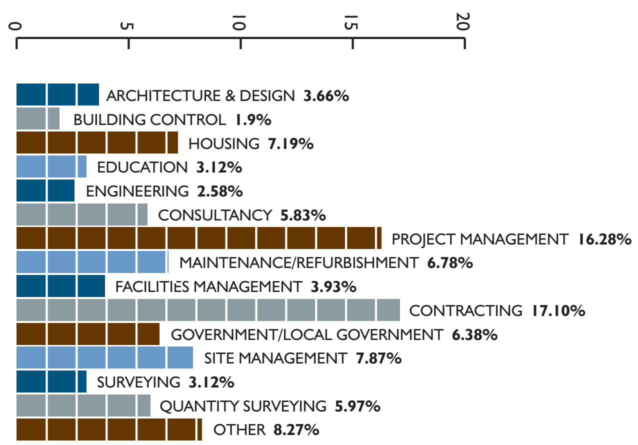


Fig.6
Number of employees in your organisation:

Fig.7
Do you believe there is a skills shortage in the construction industry?

YES **76.57%**
NO **18.48%**
DON'T KNOW **4.95%**

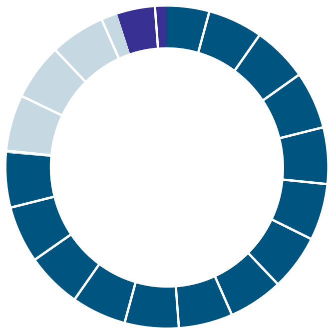


Fig.7.1
Why do you primarily believe that a skills shortage exists?

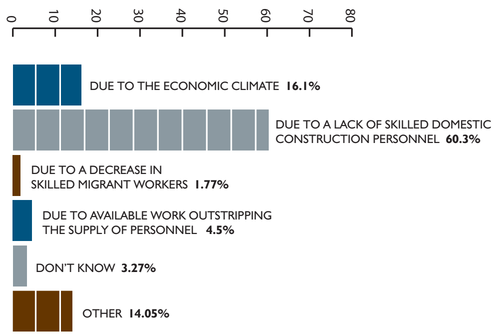
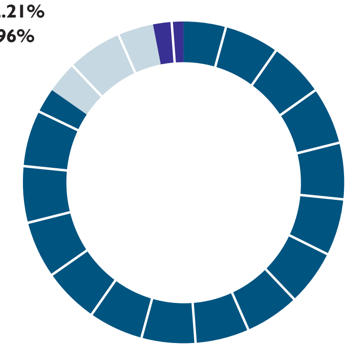


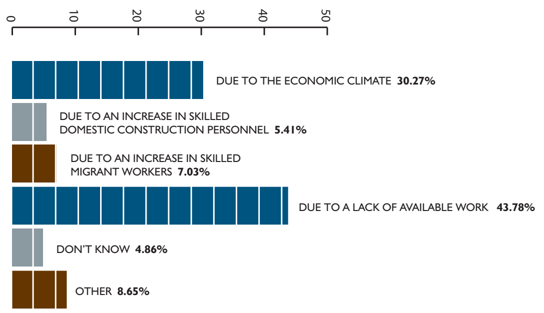
Fig.8
Are you concerned that there may not be enough skilled construction personnel available when the construction industry needs them?

YES **84.83%**
NO **12.21%**
DON'T KNOW **2.96%**



Only 17% of respondents feel that the construction workforce will increase by 2012.

Fig.7.2
Why do you primarily believe that a skills shortage does *not* exist?



...the fact that over three quarters of respondents believe the industry is afflicted by a skills shortage is worrying indeed.

Fig.9
What do you expect to happen to construction demand in 2011/12?

INCREASE **28.27%**
DECREASE **30.03%**
REMAIN THE SAME **40.04%**
DON'T KNOW **1.65%**

Fig.10
What do you expect to happen to the construction workforce in 2011/12?

INCREASE **16.83%**
DECREASE **50.39%**
REMAIN THE SAME **31.46%**
DON'T KNOW **1.32%**

RESULTS & DISCUSSION

Skills shortage or surplus?

Fig.7: 77% of respondents believe there is a skills shortage in the construction industry, representing a 5% increase compared to the results of the 2010 CIOB skills survey. However, it is still some way from the level of responses in the 2008 CIOB survey, taken during the early part of the year in the 'boom' period, where 93% reported a skills shortage.

Considering the widely-reported decline in output of construction, and that the sector itself is still in its own recession even if the economy is not, the fact that over three quarters of respondents believe the industry is afflicted by a skills shortage is worrying indeed.

Fig.7.1: 60% state that a skills shortage exists due to a lack of skilled domestic construction personnel. When asked for comments, respondents stated that the lack of steady training and investment is a key factor to the skills shortages – the 'feast or famine' nature of the construction industry only exacerbates this.

Fig.7.2: Of the 18% who did not believe a skills shortage exists, the majority cite the lack of available work and the current economic climate as the primary reasons for this. Comments from respondents indicate that this skills 'surplus' is temporary; when work begins to become readily available, the true picture will be revealed. These comments are echoed in figure 8, where 85% of respondents express their concern that there will be a shortage of skilled personnel when the industry begins to pick back up.

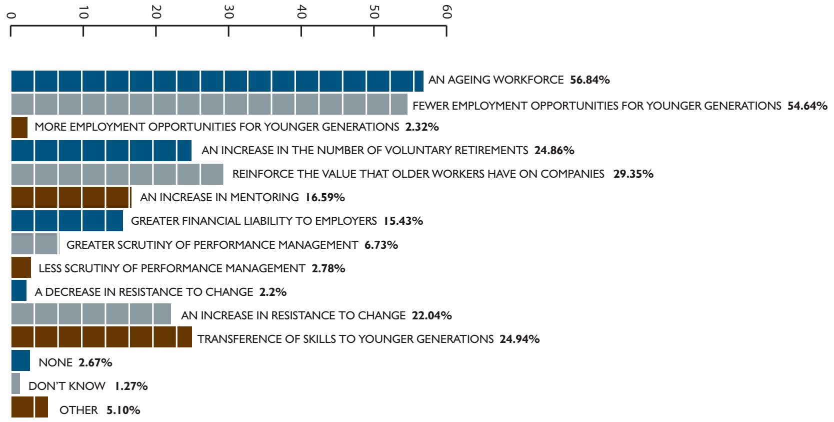
Fig.8, 9 & 10: CITB-ConstructionSkills indicates that the industry requires an average of 43,000 new personnel per year in the period 2011-15, a figure down slightly on the estimates from the period 2010-14, though representing a 10,000 increase on 2009-13 estimates.[15] This is due to fluctuations in the market, which is now relying on private sector growth to boost output after expenditure cuts dramatically reduced the work provided by the public sector. Incoming initiatives such as the Green Deal, which will require a large number of accredited and skilled personnel in low carbon retrofit and refurbishment, could push the annual recruitment requirement figure up further in the coming years.

Figures 9 and 10 demonstrate that, in the next year, demand is set to remain relatively stable (albeit at the current low levels) while the workforce decreases. Only 17% of respondents feel that the construction workforce will increase by 2012. Ominously, the numbers of respondents who believe that the workforce and demand will decrease in the next year are up 7% from the 2010 skills survey. These results therefore give the appearance that construction will remain rooted in a recession in the coming year.

15 ConstructionSkills Network, *Blueprint for UK Construction Skills 2011-2015*, January 2011

RESULTS & DISCUSSION CONTINUED

Fig.11
What effect(s) do you believe the removal of the UK Default Retirement Age (DRA) will have on the construction workforce?



Retirement age, tuition fees, and paternity leave
Fig.11: 57% of respondents believe the removal of the default retirement age will lead to an ageing population, while 55% feel it will reduce the employment opportunities for younger generations. On further analysis, respondents who are aged 61 or over feel the same two impacts will occur more than others, which is of interest as these are the personnel who will be affected by the legislation first.

While the data from figure 11 appear to give a negative impression to the removal of the default retirement age and its effect on the workforce, the positive impacts cannot be ignored. As previous CIOB skills research has shown, mentoring is essential to mitigating the skills shortage and older, experienced personnel would be ideally placed to convey their knowledge and skills to younger professionals. This is backed up by a total of 42% of respondents who feel the removal of the DRA will lead to an increase in mentoring and/or the transference of skills to younger generations.

Comments from respondents raise the possibility that the removal of the DRA can go two ways. Firstly, it can assist in retaining the personnel who add value to organisations, who would otherwise have been compulsorily retired. This can also provide transference of skills to younger personnel. Secondly, it can make it difficult for less valuable employees to leave an organisation – in other words, removing the 'deadwood'.

Respondent comments also raise the issue of an increase in health and safety risk as a result of the DRA removal. For those aged over 65 working in the trades, the nature of the work on site means they will find it difficult to continue their employment without detrimental effects to their health.

> The real evidence of the effects of the tuition fee rises will not be fully felt on the industry until at least 2015

Fig.12: The primary effect from the increased tuition fees is that there will be fewer students entering construction-related courses, according to 68% of respondents. Also worrying is that 28% feel universities will reduce investment in construction-related courses.

However, 38% of responses show that the fee rises will increase the number of personnel entering the industry through apprenticeships/internships, and a further 38% believe it will result in alternative learning provisions such as work-based learning. Evidence later in this report, and previous CIOB research, has indicated that a more practical-based education is required to alleviate the skills shortage in construction, with links between industry and academia.

The real evidence of the effects of the tuition fee rises will not be fully felt on the industry until at least 2015, when students are graduating and looking for employment. In the case of engineering and architecture, this will be even longer. However, data on applications from 2012 could give an indication of whether the fees will result in an actual decrease in the numbers of students taking built environment courses.

Fig.13: Over half of the sample believes the increase in UK paternity leave, which allows couples to share time off work, will lead to a temporary loss of skilled personnel. 38% feel that this would then allow opportunities for covering paternity leave. As explored earlier in the report, 36% of respondents believe SMEs will be disproportionally impacted by the paternity leave regulations. 46% believe the uptake of paternity leave will be minimal; comments explore this further, with a general consensus that it is simply not financially viable for employees to take paternity leave.

Fig.12
What effect(s) do you believe the increase in university tuition fees in England and Wales will have on the UK construction industry?

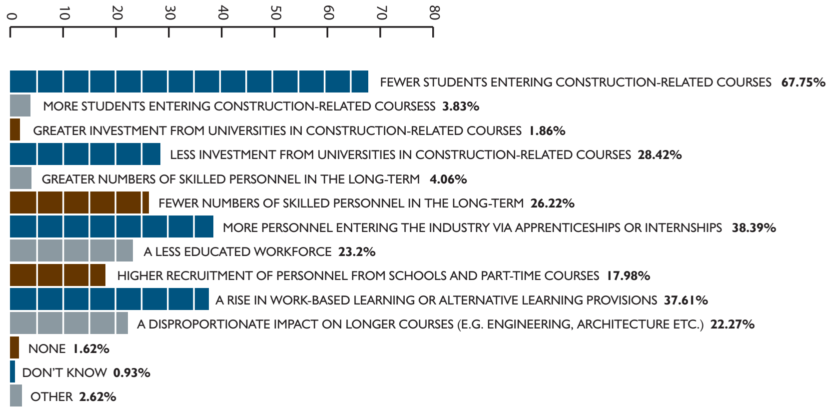


Fig.13
What effect(s) do you believe the increase in UK paternity leave (between 2 and 26 weeks additional paternity leave) will have on the construction workforce?

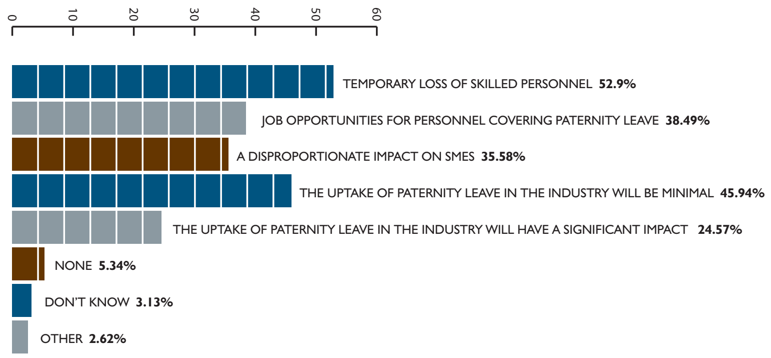


Fig.14
What has happened to the number of migrant workers within your organisation over the past 12 months?

INCREASED	7.54%
DECREASED	20.42%
REMAINED STABLE	23.09%
WE CURRENTLY DO NOT HAVE ANY MIGRANT WORKERS EMPLOYED	34.22%
DON'T KNOW	14.73%

Fig.15
In the past 12 months, have you noticed a change in domestic construction personnel emigrating in order to seek work from abroad?

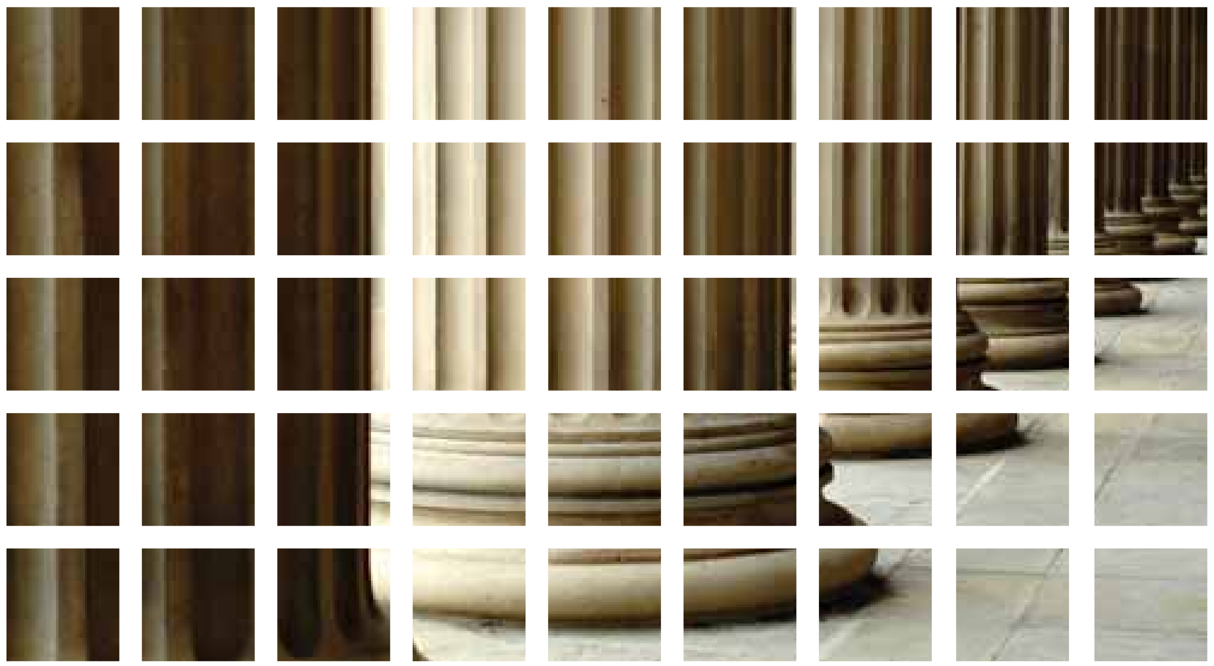
YES, MORE PERSONNEL ARE EMIGRATING	35.20%
YES, FEWER PERSONNEL ARE EMIGRATING	4.33%
NO, THERE HAS NOT BEEN A CHANGE	36.49%
DON'T KNOW	23.98%

Immigration and emigration

Fig.14: Data from the 2010 CIOB skills survey indicated that respondents had noticed a decrease in the number of migrant workers employed within their organisations, based on levels from the 2008 and 2009 surveys. The data here shows a further decrease, with 20% of respondents reporting a decline. This corresponds with the Migration Policy Institute's research mentioned earlier, which connected the recession with a decline in migrant workers, particularly those from Eastern Europe.

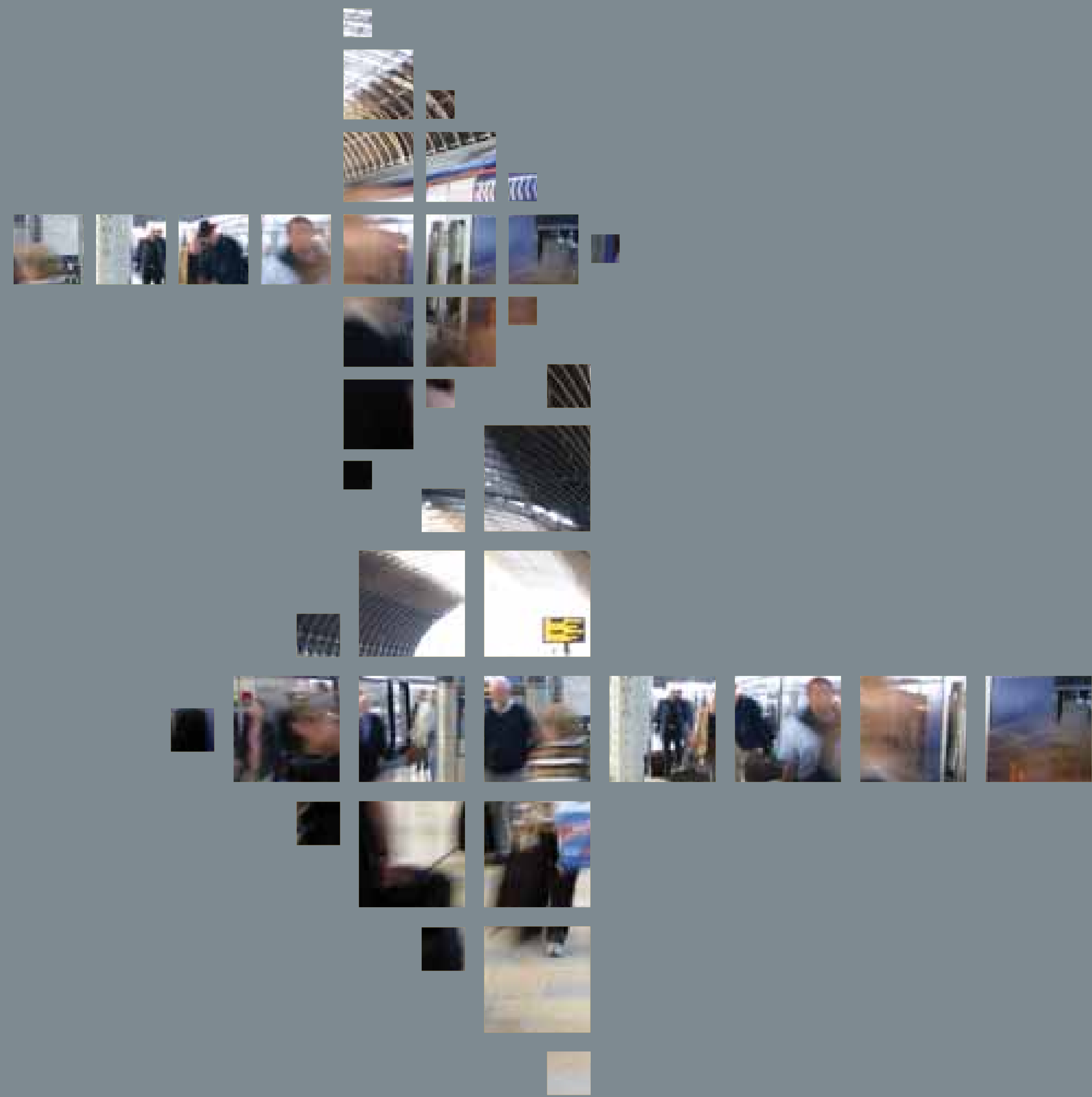
Fig.15: 97% of respondents are from the UK, indicating that the term 'domestic' in this case applies almost wholly to the UK construction workforce. A slight majority report no change, though over a third have noticed greater levels of personnel emigrating to seek construction work abroad.

On further analysis, respondents indicate that the two most popular destinations for personnel seeking work abroad are in Australia and the Middle East. Australia itself has a significant skills shortage, well documented in its domestic market, surrounding construction professionals, engineers and project managers. The recent flooding in the country has also seen construction professionals from the UK and Ireland flock to address the temporary gap in skills, with the Australian government fast-tracking over 450 visa applications to assist in reconstruction.[16]



16. Australia and New Zealand Magazine, *Australia calls on builders, plasterers and electricians from the UK*, February 2011

The data from this survey shows a further decrease in migrant workers, with 20% of respondents reporting a decline.



RESULTS & DISCUSSION CONTINUED

Apprenticeships and graduates

Fig.16 & 16.1: In the 2010 CIOB skills survey, just 3% of respondents stated their organisations were recruiting more apprenticeships. A year on, and 21% are reporting an increase in apprenticeship recruitment, representing an 18% rise. However, this does not disguise the fact that 32% of respondents state their organisations are recruiting fewer apprentices, or have terminated apprenticeships.

Fig.17: A slight majority believe the demand for apprenticeships in outstripping supply, even during the current lean period the construction industry is experiencing.

Fig.18 & 18.1: While the majority of respondents report either no change or a decrease in graduate recruitment, there is a 12% increase from the 2010 CIOB skills survey in respondents stating their organisations are recruiting more graduates. Coupled with the above data on apprentice recruitment, this is an encouraging move for the industry in what are still very straitened times.

Fig.19: Respondents were asked to choose up to five specific skills that they felt graduates were lacking to work in the industry. Over 51% of respondents believed technical knowledge was lacking, followed by 45% who believed problem solving skills were lacking. On the whole, resource management, implementing change, encouraging innovation, and project management skills were felt to be skills that graduates tend to leave university with. Only 5% felt graduates did leave university with the necessary skills.

> Experience is the key message from respondents on how to tackle the perceived lack of skills from graduates.

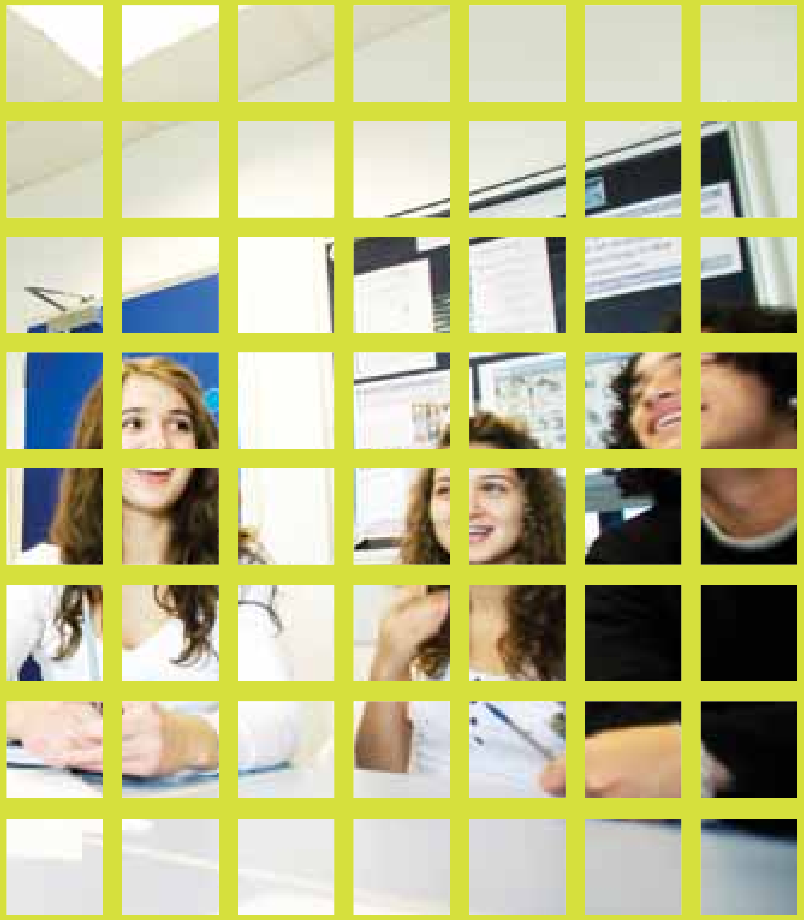


Fig.16
Does your organisation actively recruit apprentices?

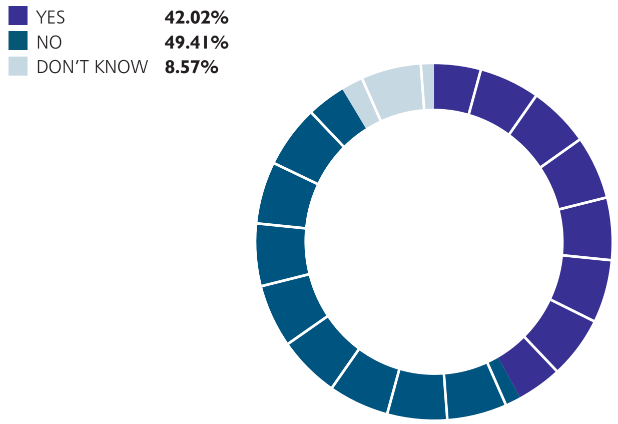


Fig.16.1
What is happening to the number of apprentices within your organisation?

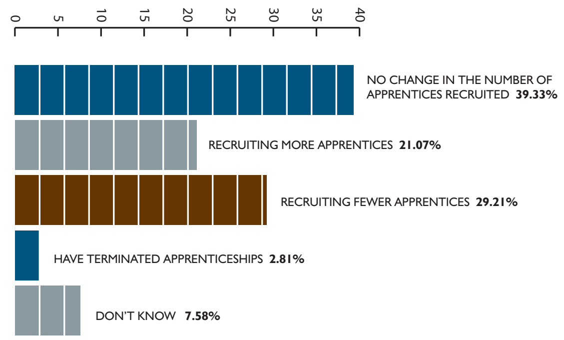


Fig.17
Do you believe that the demand for apprenticeships is currently outstripping supply?

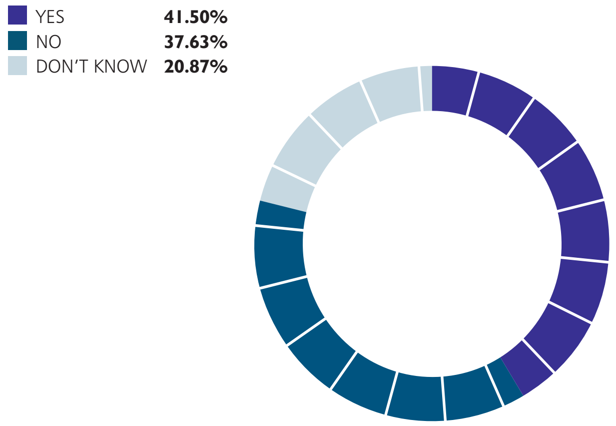


Fig.18
Does your organisation actively recruit graduates?

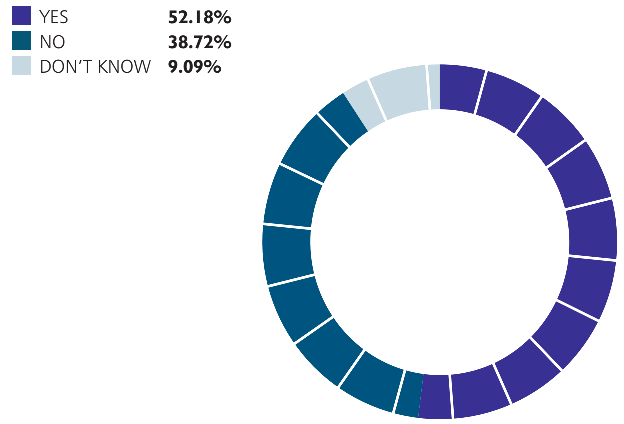


Fig.18.1
What is happening to the number of graduates within your organisation?

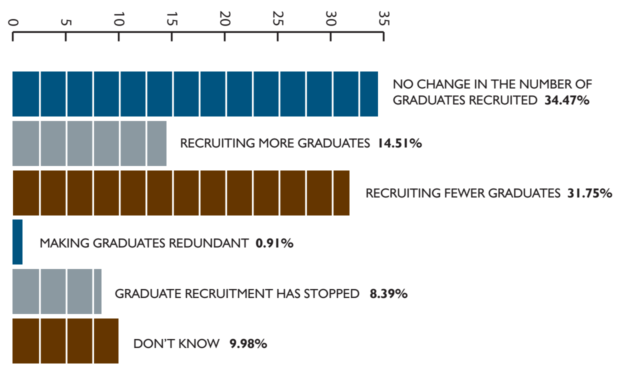
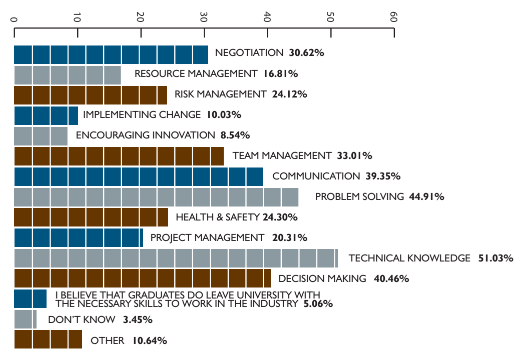


Fig.19
The CIOB skills survey from 2010 indicated that 66% of respondents felt construction graduates leave university without the necessary skills needed to work in the industry. Which specific skills do you believe graduates are lacking to work in the industry?



42% of respondents think that the standards of teaching at universities and colleges in built environment courses do not meet the current and future needs of the construction industry.

RESULTS & DISCUSSION CONTINUED

Fig.19.1: Experience is the key message from respondents on how to tackle the perceived lack of skills from graduates. 51% of the sample think that greater utilisation of work placements in needed, which is linked to the greater integration between industry and academia. The theme of mentoring continues, with 37% of respondents believing this will address a lack of relevant skills. Only 13% consider updated university courses to be necessary, suggesting that much of the core content taught at universities is up-to-date and relevant.

Fig.20: 42%, the majority, of respondents think that the standards of teaching at universities and colleges in built environment courses do not meet the current and future needs of the construction industry.

The overwhelming response from those 42% of respondents' comments was that greater integration between academia and industry is required, as suggested in figure 19.1, and that those teaching the courses need regular on-site experience to keep up-to-date on the latest industry thinking.

Fig.21: A lack of investment in skills from industry and government is highlighted by the majority of respondents (42%) as the biggest threat to the future skills agenda. Comments give the impression that there has been no long-term investment in skills; instead the industry has been reacting to its typical boom and bust cycles.

A lack of well-trained apprentices is noted by over a third of respondents as a threat to the future skills agenda, suggesting investment in apprentice schemes and programmes is needed. A third of respondents note the high levels of redundancies of skilled personnel as a threat, and further comments give the impression that these people may never come back to the industry, widening the skills gap.

In the 2010 CIOB skills survey, 63% of respondents believed the greatest threat to the future skills agenda was the lack of apprentice recruitment. Figures from this year show that almost 30% fewer respondents perceive the lack of apprentice recruitment as the biggest threat. Instead, as noted earlier, this has shifted to a focus on the training of apprentices.

Fig.19.1
Which of the following do you believe would assist in addressing the concern that graduates leave university without the necessary skills to work in the industry? (select up to 3)

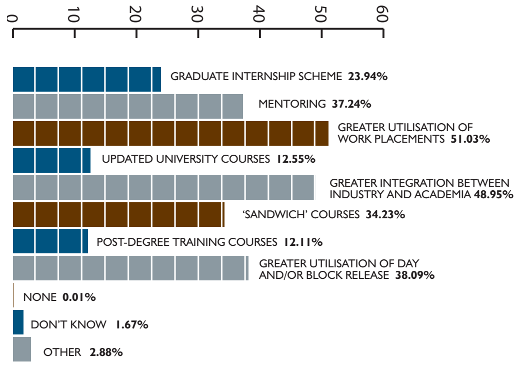
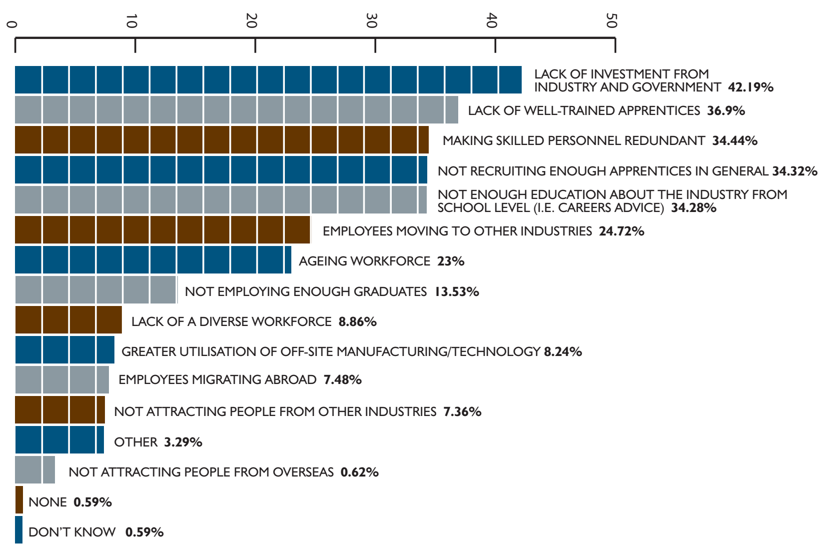


Fig.20
Do you believe the standard of teaching in built environment courses at universities and colleges meets the current and future needs of the industry?

YES	33.37%
NO	41.96%
DON'T KNOW	24.67%

Fig.21
What do you think are the biggest threats to the future skills agenda in the construction industry?



RESULTS & DISCUSSION CONTINUED

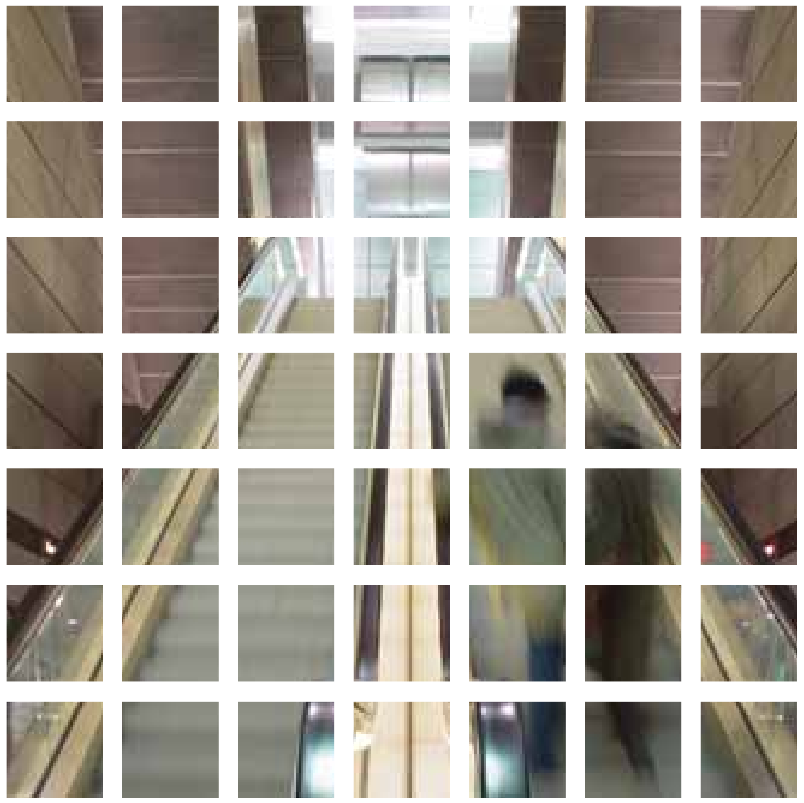
Redundancy or reward?
Fig.22 & 22.1: 62% of the sample report that their organisation made redundancies during what was an incredibly difficult year for the construction industry. The Office for National Statistics officially reported on over 41,000 construction redundancies in the period June to December 2010 alone.[17]

Of this 62%, the majority report that between 1-10% of the workforce was made redundant. Of the respondents who stated that they are employed in organisations that employ fewer than 20 employees, 24% indicated that a third or more of their workforce has been made redundant, demonstrating the impact the economic situation had on SMEs.

Fig.23: 25% of organisations are planning to make redundancies in the coming year. On further analysis, 45% of those working at a director or senior management level state that their organisations are not planning to make any redundancies in the next year.

Fig.24: In data that reflects the aforementioned Panorama research into take-home pay, it is apparent that the majority of respondents and their colleagues have received pay freezes, which, when inflation is taken into account, are actually decreases in real terms. When asked for comments, respondents who stated that their organisations provided pay increases noted that they were minimal rises, often in the region of fewer than 1% - technically also a decrease in real terms.

62% of the sample report that their organisation made redundancies during what was an incredibly difficult year for the construction industry.



17. Lowery, D., *Building, Construction redundancies rise 28%*, (2011-02-16)

Fig.22
Has your organisation made redundancies in the past year?

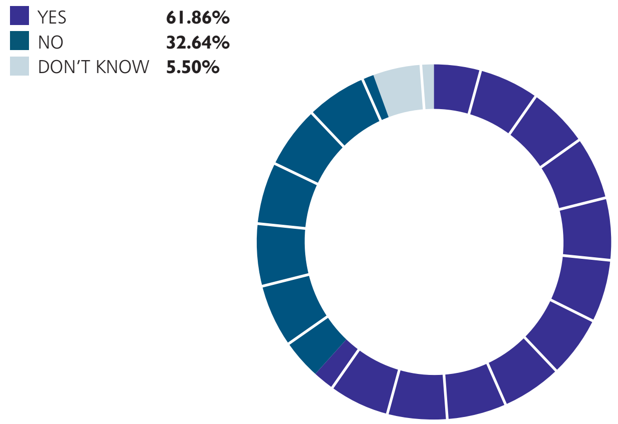


Fig.22.1
If yes, what percentage of the workforce was made redundant?

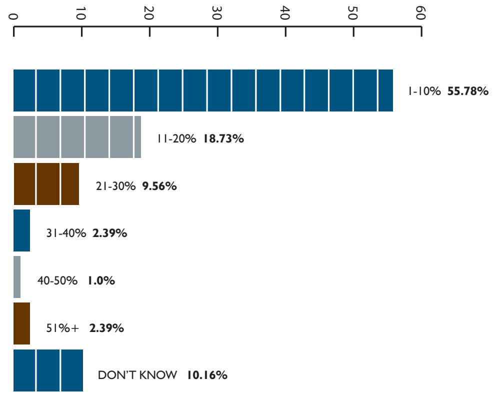


Fig.23
Is your organisation planning to make any redundancies in the coming year?

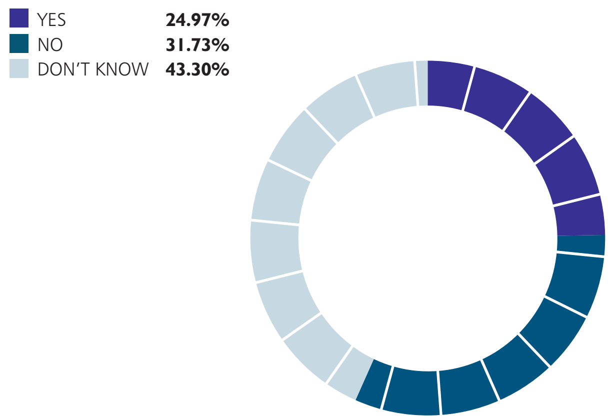
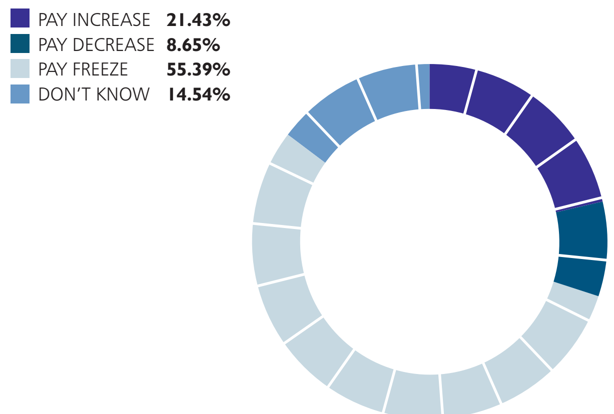


Fig.24
Which of the following has your organisation provided to their skilled personnel in the past year?



The Office for National Statistics officially reported on over 41,000 construction redundancies in the period June to December 2010 alone.

CONCLUSIONS

Cuts to public expenditure in the UK are likely to lead to construction activity languishing or, worse, decline over the next year. This is backed up by the majority of respondents expecting construction demand and the workforce to either decline or remain similar in 2011-12.

The data on pay shows that there is little financial incentive for people to both join and remain in the professional side of the industry, especially as other sectors begin to pick up. Combined with the increase in tuition fees, which respondents have stated will result in fewer graduates and less investment in courses, this provides a bleak long-term picture for those working in construction management roles.

In terms of trade roles, which previous CIOB research has shown as in the greatest demand, the outlook is brighter. Respondents feel that apprenticeship uptake will rise, and this is demonstrated by an 18% increase (based on the 2010 survey) of organisations reporting that they have employed more apprentices in the past year.

University courses require further relevance, through the use of site release, sandwich courses, or other, experienced-based methods. Respondents note that the lack of technical knowledge in graduates needs to be addressed, and on-site, practical application through industry-academia integration is essential to address this.

The CIOB believes management apprenticeships are a key channel for producing future professionals, with the added benefit that they develop the leadership skills needed in the industry today. Apprenticeships have their obvious benefits for the industry, but they also develop those passing on that knowledge as well. Leadership, communication, and management skills are all improved by those who take time to teach others.

The Chartered Institute of Building

The Chartered Institute of Building (CIOB) represents for the public benefit the most diverse set of construction management professionals.

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To contribute to the creation of a modern, progressive, and responsible construction industry; able to meet the economic, environmental and social challenges faced in the 21st century.

Our 7 Guiding Principles:

- Creating extraordinary people through professional learning and continuous professional development.
- Promoting the built environment as central to the quality of life for everyone everywhere.
- Achieving a sustainable future, worldwide.
- Advocating exemplary ethical practice and behaviour, integrity and transparency.
- Pursuing excellence in management practice, and technological innovation rooted in evidence based science.
- Being socially responsible and working responsibly.
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