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Build UK Members Impacted by Industry's Skills Challenges

Results of the third State of Trade survey for 2016 show that whilst Build UK members' workloads rose following the EU referendum, they are facing increasing difficulties in recruiting skilled operatives which is impacting business performance and costs.

The survey, which was undertaken with Glenigan, reveals that whilst output from Build UK members increased modestly during the third quarter of 2016, there was a decline in enquiries. Nevertheless whilst contractors anticipate that overall workloads will lighten during the final quarter of 2016, output is still expected to rise over the next 12 months.

Labour shortages prevented a quarter of contractors (25%) from bidding for work during the third quarter of 2016, a figure which has risen from 16% in Q2. This was also reflected in the tightening of industry capacity, with 85% of contractors operating at over 75% of their capacity and 49% operating at over 90%.

These difficulties are increasingly reflected in the cost of labour, with 55% reporting an increase in labour costs compared to the previous quarter and 60% reporting their labour costs as higher than a year ago. According to the Q3 results, the trades proving the most difficult for contractors to recruit are professional/technical staff and supervisors, brick layers and carpenters. The main reasons stated for difficulty in filling vacancies include a lack of required skills (47%), a low number of applicants with the required experience (44%) and a lack of qualifications (27%).

With regard to payment, 46% of contractors reported waiting at least 46 days on average despite only 16% having average contract terms of 46 days or more.

Build UK Chief Executive **Suzannah Nichol MBE** said:

"While the industry demonstrated its resilience by continuing to grow during Q3, we can see that projects are increasingly affected by construction's skills challenges. By getting behind the recommendations of the Farmer Review and delivering on the industry's commitment at the Construction News Summit Skills Hack to reform the skills system, we can address these challenges and achieve change throughout the supply chain."

~ Ends ~

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Notes to Editors

1. [Build UK](#) provides a strong collective voice for the contracting supply chain in construction. We bring together the industry's largest Main Contractors and leading Trade Associations representing over 11,500 Specialist Contractors.
2. The Build UK State of Trade Survey has been created in partnership with [Glenigan](#), the trusted provider of UK construction project sales leads, market analysis, forecasting and company intelligence.
3. The full Build UK Q3 2016 State of Trade Report can be found on the [Build UK website](#).
4. Build UK contributes its findings to the State of Trade Survey published by the [Construction Products Association \(CPA\)](#), enabling the experiences of the contracting supply chain to be compared with the wider industry.