

INCREASING EMPLOYMENT IN CONSTRUCTION



Courtesy of EQUANS

Introduction

The construction sector now needs to recruit **over 53,000 new entrants** every year for the next five years in order to maintain output. This is against a backdrop of a record number of **job vacancies** of almost 1.3 million, 44,000 of which are in **construction**, making recruitment highly competitive across all sectors of the economy.

Build UK has carried out a survey of its members to understand current levels of employment within the industry and the impact of job vacancies across the supply chain.

Key Findings

- 33% of respondents have increased their number of directly employed workers in the last 12 months, with 50% predicting an increase over the next year
- This growth in direct employment has been driven primarily by an increase in activity, followed by taking on more new entrants and apprentices
- The average pay increase is expected to be around 5% over the next 12 months
- 24% of apprentices leave their employer upon completion of their apprenticeship, with 80% of them moving to a different employer
- 68% of companies currently have vacancies, which is increasing pressure on existing teams and stifling business growth.



Courtesy of GKR Scaffolding

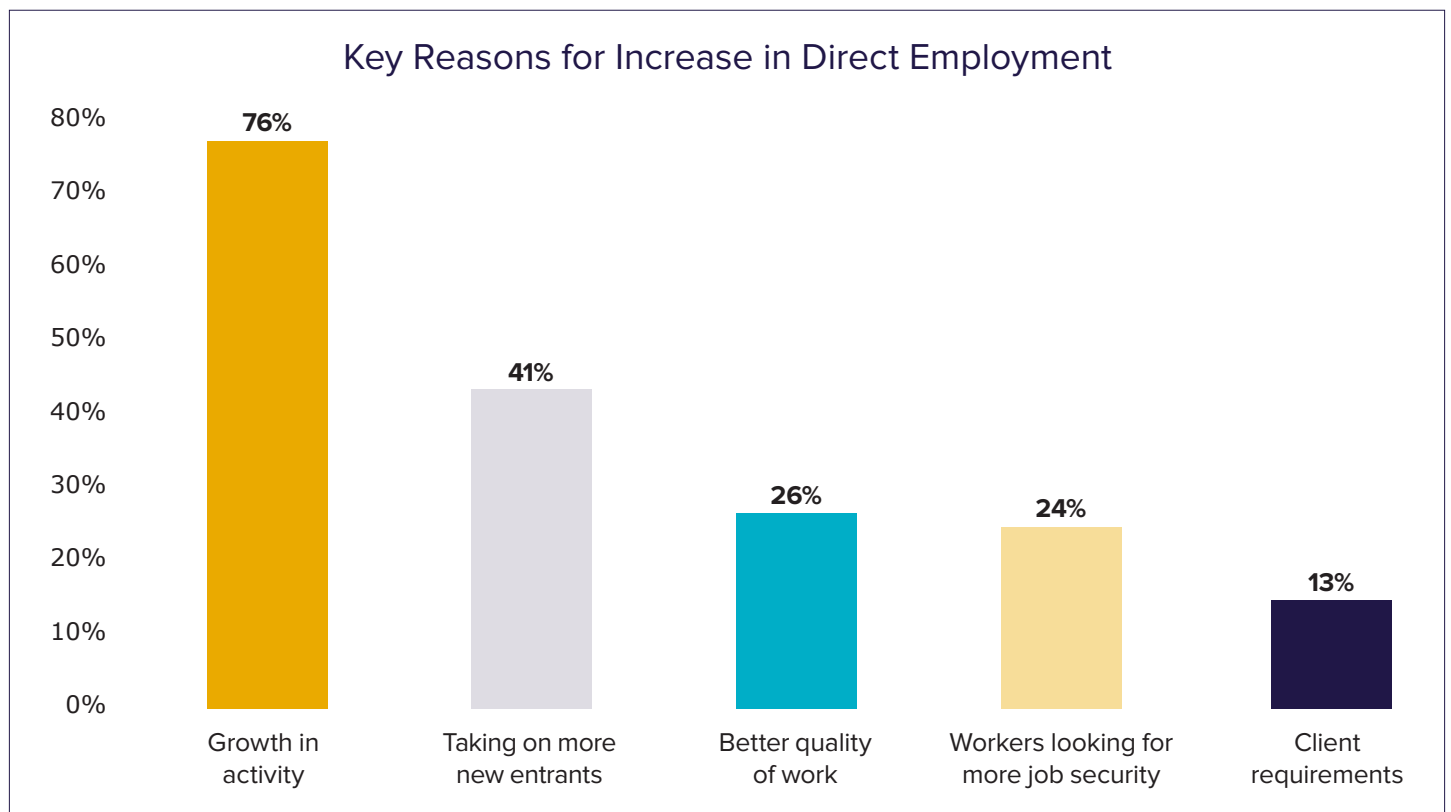
Employment Status

The average size of the workforce of Contractor members that responded was 2,655, with 85% directly employed. Specialist Contractors had an average sized workforce of 162, 62% of which were directly employed.

Direct employment within Contractor members is growing, with 54% confirming that it had increased over the last year and 62% expecting an increase in the next 12 months.

It is a mixed picture for Specialist Contractors, with 25% reporting an increase in the number of direct employees, 25% a decrease and the remaining 50% no change over the last year. Looking ahead, 47% expect direct employment levels to increase in the next 12 months.

For those companies that have increased their number of directly employed workers, it has been driven primarily by a growth in activity, followed by taking on more new entrants and apprentices.



New Entrants

6% of the workforce across all respondents are classed as new entrants.

On average, 76% of apprentices remain with their employer following completion of their apprenticeship. It is slightly higher for Contractor members (85%), compared to Specialist Contractors (73%), compounding the shortage of specialist skills within the industry.

Of those that left their employer, 80% went to work for a different employer, reinforcing the competitiveness of the job market. Other reasons given included not being skilled enough to remain in employment or going self-employed.

Wage Inflation

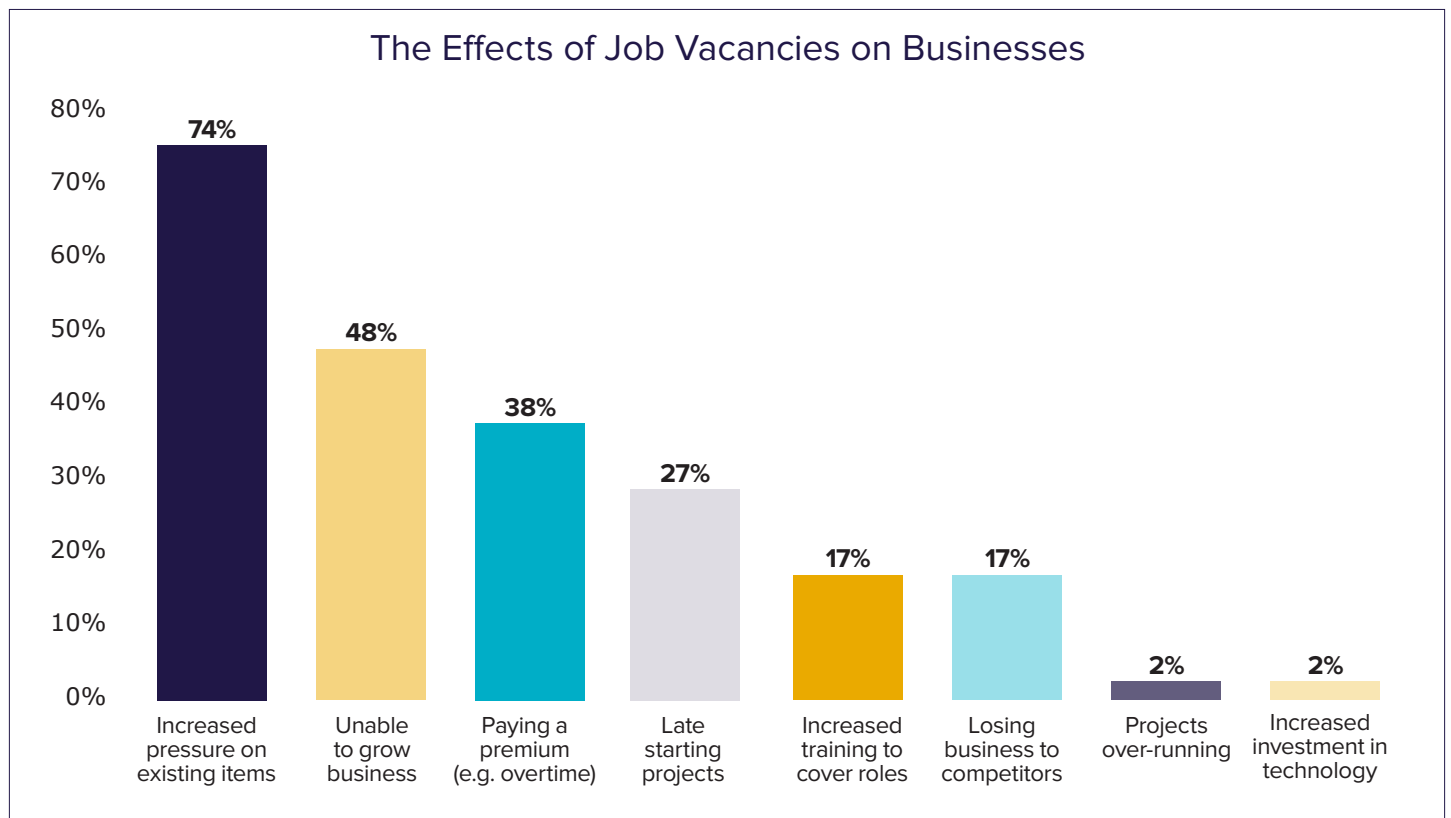
All Contractor members are expecting to implement a wage increase of between 2% and 5% in the next 12 months, which is consistent with the 5% increase under the [CIJC Working Rule Agreement](#) from 25 July 2022.

The predictions from Specialist Contractors are more varied. 20% are considering no increase in wages, 54% are looking at an increase of between 2% and 5%, and 25% are expecting to offer an increase of 6% or above.

Job Vacancies

The average number of job vacancies across Contractor members is 145, whilst Specialist Contractors have an average of 14 vacancies.

Vacancies are having a negative impact on all businesses and their existing workforce. 74% of respondents that currently have vacancies stated that it is increasing pressure on existing teams, with 48% saying it was hampering business growth.



Recruiting, Training and Retaining Talent

Build UK is committed to securing the right skills for the industry, now and in the future, and this report is part of our strategic priority to recruit, train and retain talent in the industry.

Recruit A diverse workforce across all roles.

Train Individuals with the skills and qualifications required to develop and progress their careers.

Retain People in the sector by providing a fair and inclusive working environment with flexible working opportunities.