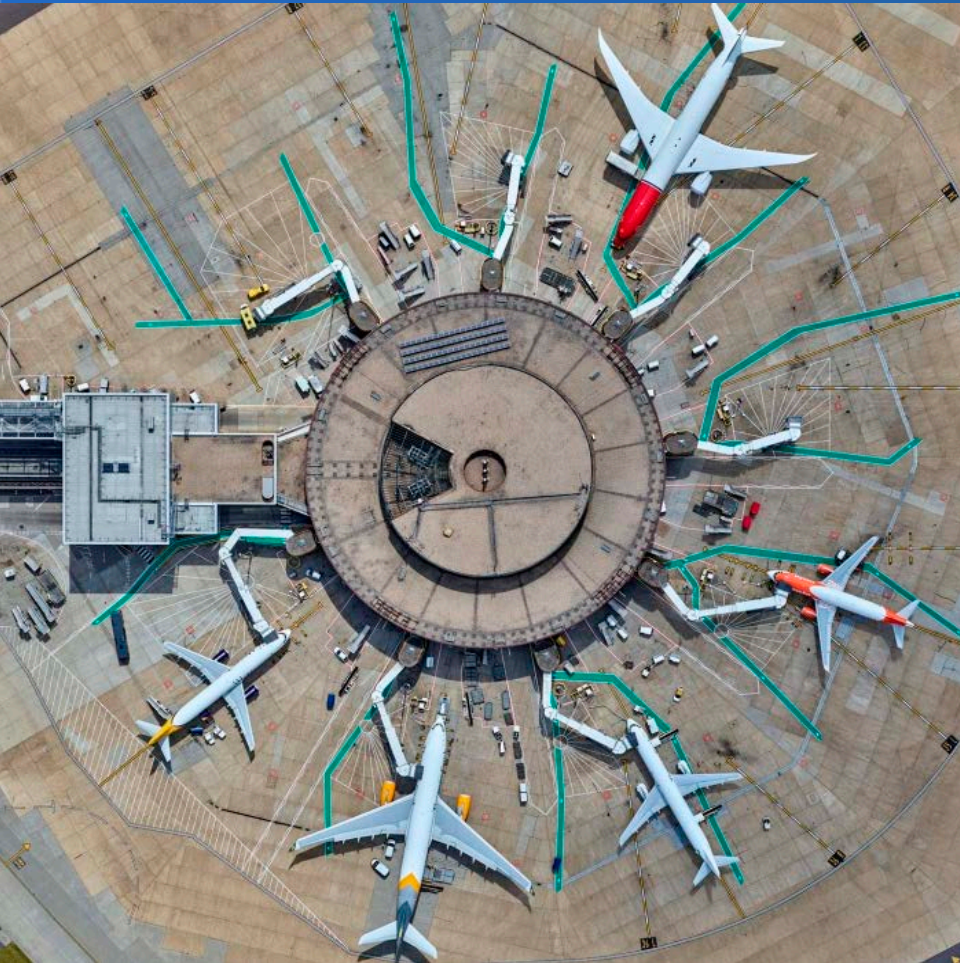




# Coast to Capital LEP





76.8%

employment rate

20%

of SE economy

6th

Most prosperous region in the UK

1.9

million people

£61,000

Average GVA per employee

£48.5 bn

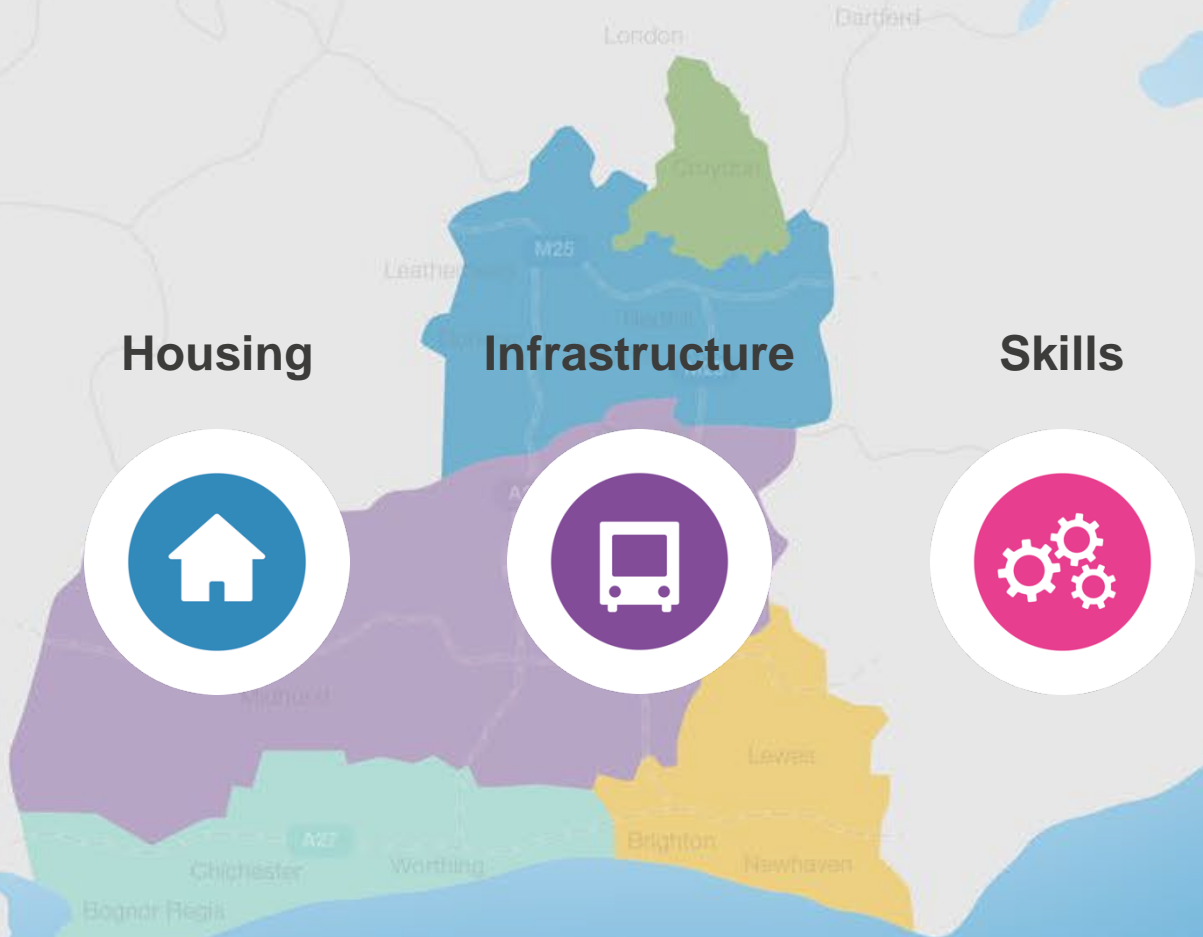
GVA

84,000

SME businesses in the area



# Our Priorities



# Priority Sectors

## Sectors targeted for growth

- Advanced manufacturing and engineering
- Creative, digital and IT
- Environmental technologies
- Financial and business services
- Health and life sciences

## High employment sectors

- Health and Social Care
- Construction**
- Visitor economy







# Construction

## Sector definitions

- 🏗️ 411 - Development of building projects
- 🏗️ 412 - Construction of residential and non-residential buildings
- 🏗️ 421 - Construction of roads and railways
- 🏗️ 422 - Construction of utility projects
- 🏗️ 429 - Construction of other civil engineering projects
- 🏗️ 431 - Demolition and site preparation
- 🏗️ 432 - Electrical, plumbing and other construction installation activities
- 🏗️ 433 - Building completion and finishing
- 🏗️ 439 - Other specialised construction activities n.e.c.



# Construction

## Sector characteristics

- Construction contributes £3.3bn to the Coast to Capital economy in 2014 – 6.9% of total economy
  - In England the sector contributes 6.2%
  - In the South East the sector contributes 6.9%
- The sector grew 16% from 2010 to 2014
  - In England the sector grew 20%
  - In the South East the sector grew 25%



# Construction

## Sector characteristics

- 9,820 businesses
- 12.6% of total business in the region
  - South East – 12.7% of businesses
  - England – 11.7% of total businesses
- Grown 0.2% from 2010-2014
  - South East - fallen 1.9%
  - England – fallen 1.9%
- 35,900 employees
- 4.5% of total employment in the region
  - South East – 4.8% of employment
  - England – 4.3% of employment
- Fallen 3.1% 2010-2014
  - South East – fallen 2.3%
  - England – grown 0.7%

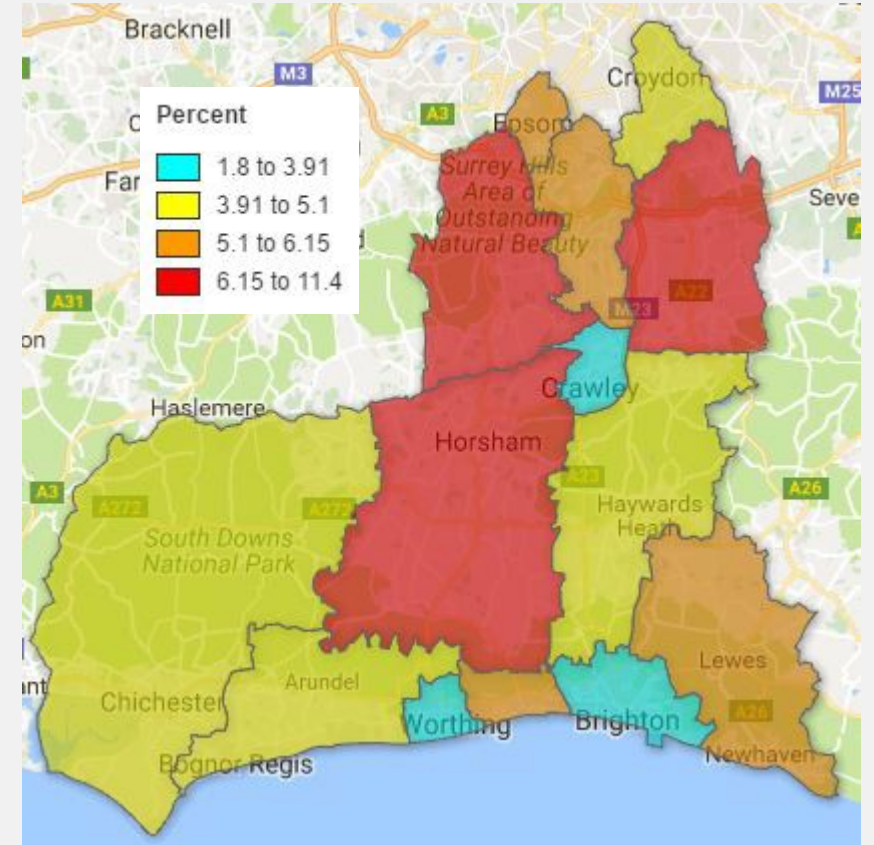




# Construction

## Geographic Concentration – Employment

<b>Tandridge</b>	<b>10.3%</b>
<b>Mole Valley</b>	<b>6.6%</b>
<b>Horsham</b>	<b>6.4%</b>
<b>Epsom and Ewell</b>	<b>6.1%</b>
<b>Lewes</b>	<b>5.6%</b>
<b>Adur</b>	<b>5.6%</b>
<b>Reigate and Banstead</b>	<b>5.5%</b>
<b>Arun</b>	<b>4.8%</b>
<b>Mid Sussex</b>	<b>4.7%</b>
<b>Croydon</b>	<b>4.5%</b>
<b>Chichester</b>	<b>4.3%</b>
<b>Brighton and Hove</b>	<b>2.8%</b>
<b>Worthing</b>	<b>2.6%</b>
<b>Crawley</b>	<b>1.9%</b>





# Construction

## Key Employers

- Wates Group Limited
- Geoffrey Osborne Limited
- Colas Limited
- Eurovia Infrastructure Limited
- Black and Veatch Limited
- Kellogg Brown and Root Limited
- Croudace Homes Group Limited
- Collins Construction PLC
- Elliot Thomas Limited
- Martin Grant Homes Limited



# Construction

## Sector Characteristics

- ✔ The sector is largely male (87% vs 13%)
- ✔ Employment is more concentrated in SMEs compared to other industries (85% vs 59%) and the sector is characterised by sub-contracting
- ✔ The age profile of the workforce is slightly older compared to other industries – regulations mean fewer people aged under 18 are working in the sector
- ✔ There are high levels of self-employment – 38% of the workforce compared to 14% in the rest of the economy
- ✔ The prominence of self-employment and sub-contracting in the sector has caused concerns that this does not incentivise employers to provide training

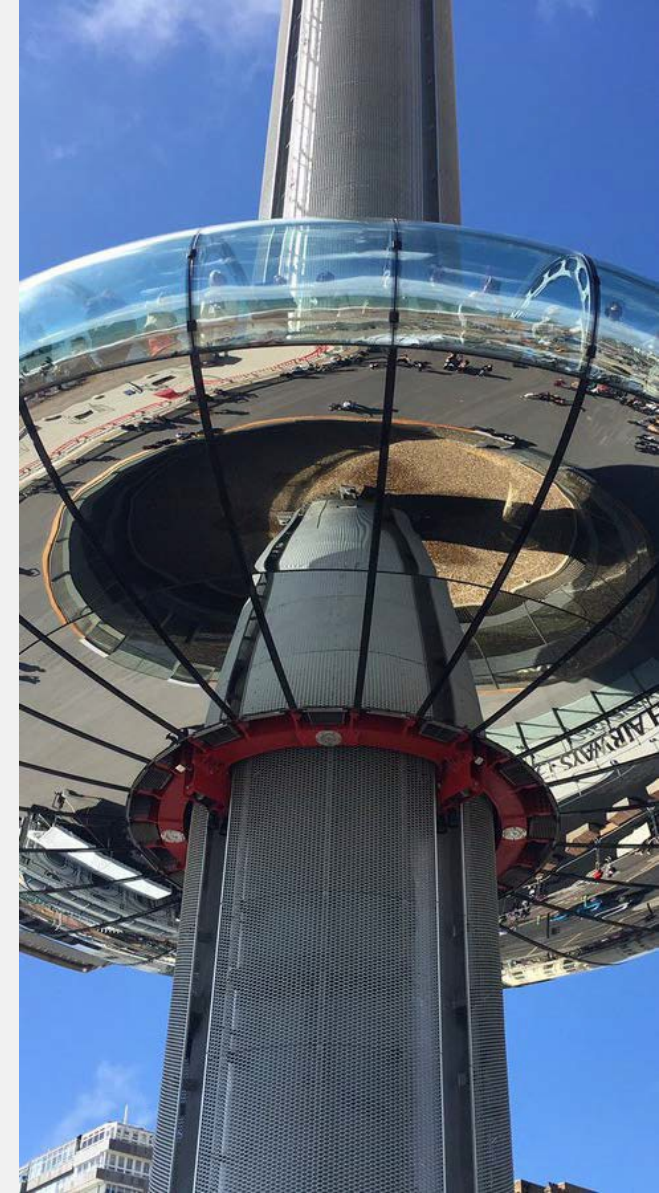




# Construction

## Skills Issues

- Replacement demand for employees is expected in Skilled Trades Occupations – compared to Professional Occupations in the wider economy
- However, various key drivers means that there is uncertainty over future skills demands, which can be problematic in encouraging employers to invest in skills development
- The proportion of the construction workforce in receipt of such training (18.2%) is lower than the proportion across the whole economy (25.5%)
- 42% of businesses have staff who are underutilised (49% in wider economy)
- Hard to fill vacancies account for 40% of vacancies in the sector (23% in wider economy)
- Skills shortage vacancies are 5.5 per 1000 employees (3.8 in wider economy)
- Skills gaps affect 44 out of 1000 employers in sector (54 in wider economy)
- A key issue for the sector is the development of higher level skills, which will allow employers to respond to the challenges posed by increased regulation, technological development and global competition and the flexibility that these developments require



# Challenges for Construction

The sector is highly cyclical – after every recession the sector tends to lay off skilled workers who then prove difficult to recruit during the recovery period. This gives rise to skill shortages and wage inflation which, in turn, can inhibit recovery. Cyclical effects are exacerbated by the high levels of self-employment in the sector. **INFO**

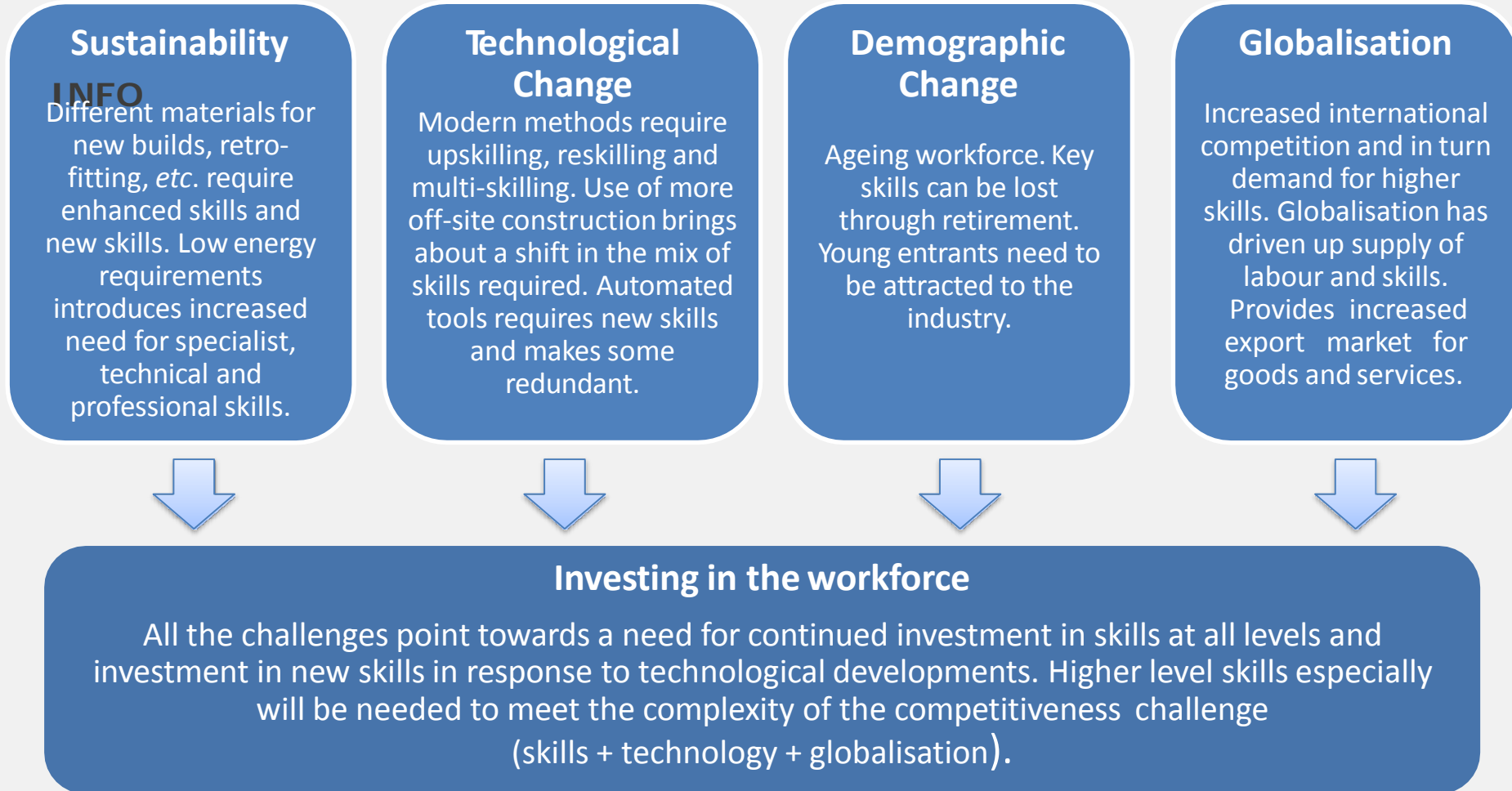
A key challenge for the sector is to maintain its supply of skills, especially during periods of weak demand. The signals to individuals are generally positive – that skills acquisition in construction skills is associated with relatively high rates of return. The evidence suggests that employers recoup their training investments quite quickly once apprentices complete their training. Investing in training is a win-win for employers and employees.

Whilst the evidence should not be exaggerated, the age profile of the sector suggests that there are relatively fewer younger people in the workforce, and that the number of entry level training positions has declined following the recession. The key challenge, therefore, is to even out the supply of, and demand for, construction skills - the importance of this should not be underestimated given the significance of the construction sector to economic recovery.

Source: UKCES  
Construction Skills  
Insight Slide Pack  
2012

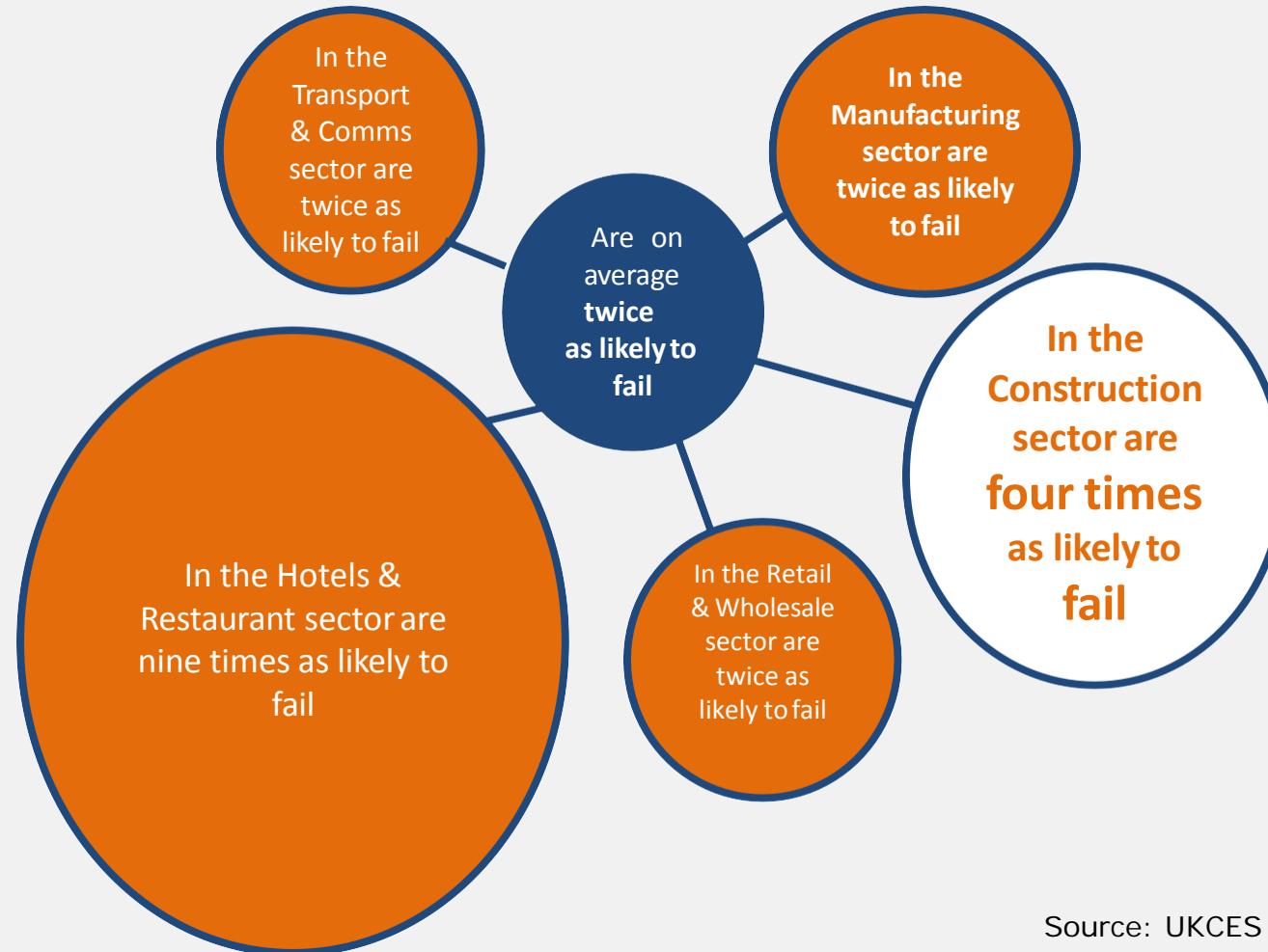


# Future Skills Needs for Construction



Source: UKCES  
Construction Skills  
Insight Slide Pack  
2012

# Firms in the UK that don't invest in training:



Source: UKCES Construction Skills Insight Slide Pack 2012





# Thank you for listening

