

# ConstructionSkills Network 2010-2014 East Midlands

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 - East Midlands

The East Midlands is ranked towards the top in annual average growth rate terms, with a projected increase of 2.6% between 2010 and 2014, well above the UK average of 1.7%. Year-on-year rises over the five years are predicted to remain steady at around 2-3%, although the expectation is that the new work sector will largely be responsible for keeping the growth rate at that level. In contrast, the performance of the repair and maintenance market will be relatively subdued. Employment is forecast to increase by 7% between 2010 and 2014, but it will remain well below 2008's level.



## Regional comparison 2010-2014

	Annual average % change in output	Growth in total employment	Total ARR
North East	0.6%	4,660	3,190
Yorkshire and Humber	1.6%	7,040	2,220
<b>East Midlands</b>	<b>2.6%</b>	<b>10,220</b>	<b>5,260</b>
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

The East Midlands is ranked towards the top in annual average growth rate terms with a projected increase of

**2.6%** between **2010 and 2014**

## Key findings

After severe falls in 2008 and 2009, private housing output is expected to return to growth in 2010, although the rate of increase is likely to be moderate. However, in the long term, the East Midlands is projected to have one of the fastest rates of household formation in England, and the pressure that this will put on the housing stock in the region is likely to lead to quite a buoyant outlook for new house building between 2010 and 2014.

At 2.6%, the public housing sector is expected to have the lowest rate of growth on an annual basis between 2010 and 2014. The £316m made available for new affordable housing between 2008 and 2011 should lead to year-on-year increases in output in the initial two years of the forecast period, although this should be followed by declines thereafter to 2014.

With an annual average growth rate of 6%, the infrastructure sector should be the second best performing in new work, driven by the projected outturn of 22% in 2010. This should be as a result of the £322m-£409m upgrading of the A46 between Newark and Widmerpool and the £340m scheme for the M1 between junctions 25 and 28. Thereafter, the increases in output are likely to be in low due to a lack of planned major projects.

The two new work sectors with negative average annual rates of growth between 2010 and 2014 are forecast to be the public non-housing and commercial, at 2.1% and 0.3%, respectively. Although public non-housing should benefit from the Building Schools for the Future (BSF) programme in the short-term, more constrained government expenditure post-2011 should lead to declines in output to the end of the forecast period.

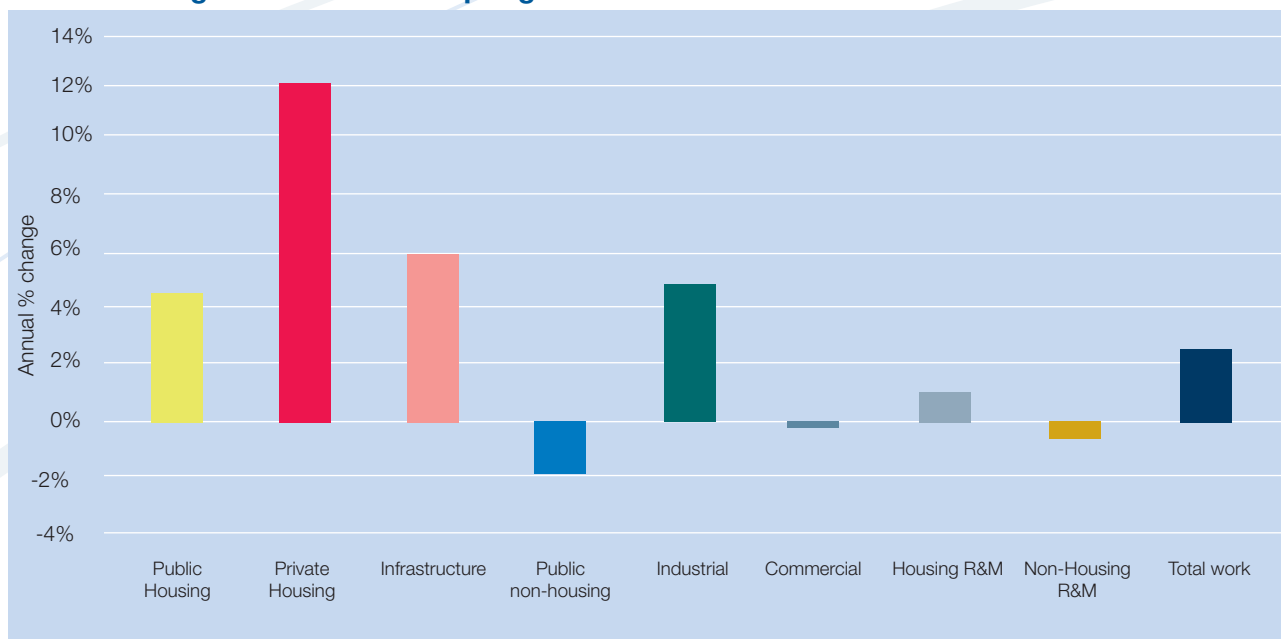
One of the region's biggest projects, the £400m Broadmarsh Shopping Centre in Nottingham, remains on hold and is an example of the difficulty being faced by retail developers as a result of depressed consumer spending. After two years of declines to 2011, improving economic conditions should allow easier access to finance for developers, thus leading to an increasing rate of growth in output to the end of the forecast period.

Between 2010 and 2014, total construction employment in the East Midlands is predicted to increase by around 7% to 150,660. In 2008, the biggest occupational group was wood trades and interior fit-out, accounting for around 11% of the total, in-line with the UK average. Of the trade occupations, civil engineering operatives nec\* (43%) are projected to see the largest rise in employment, not least due to some of the major roads projects in the pipeline. Labourers nec\* (38%) and plant operatives (36%) are also predicted to do well over the five years to 2014. After the East of England (7,350) and Scotland (7,220), the East Midlands' annual recruitment of 5,260 is forecast to be the highest in the UK.



Leicester City Football Ground

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



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

# 2 The outlook for construction in the East Midlands

## 2.1 Construction output in the East Midlands – overview

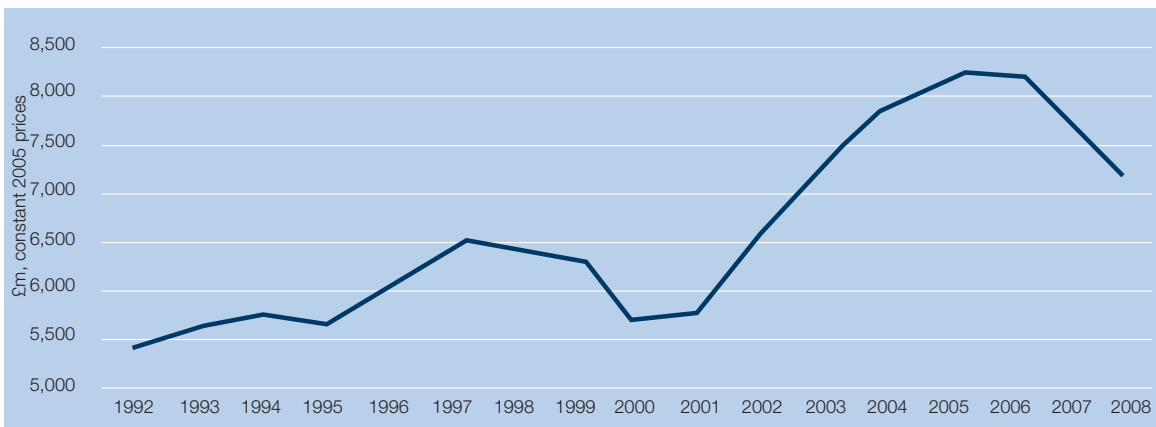
Reaching £7.1bn (in 2005 prices), total construction output in the region fell by 8% in 2008. This was the third consecutive year of decline in construction activity in real terms in the region. New work contracted by 14% year-on-year to £4.1bn, while repair and maintenance (R&M) increased by 3% to £3bn.

The infrastructure sector was the star performer in 2008, growing by 20% year-on-year. The increase in output was mainly driven by roads work, and in particular, the £340m M1 widening project between

Junctions 25 and 28. At 3%, the only other sector to have seen growth was public non-housing as the region's Building Schools for the Future (BSF) programme provided a steady stream of output.

In contrast, the private housing and industrial sectors saw declines of equal measure, both down by around 30% in 2008. The region's manufacturing industry accounts for a larger proportion of total GVA when compared to the UK as a whole, thus the fall-off in domestic and global demand impacted heavily on the industrial sector as a whole. The implications of this on employment, combined with difficulties in obtaining mortgage lending and falling house prices, heavily dampened demand for new housing.

### Construction output 1992-2008 - East Midlands



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

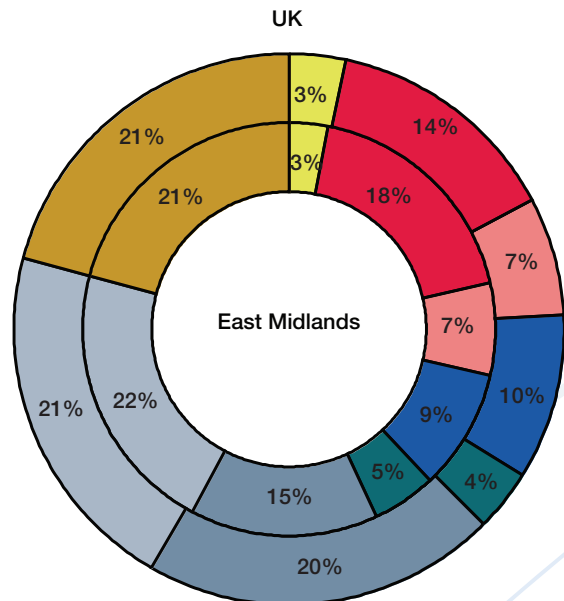
## 2.2 Industry structure

The diagram, Construction Industry structure 2008 – UK vs. East Midlands, illustrates the sector breakdown of construction in the East Midlands compared to that in the UK. Effectively, the percentages for each sector illustrate what proportion of total output each sector accounts for.

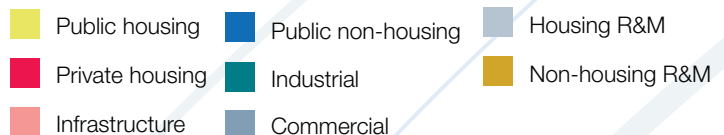
As a proportion of total construction output in the East Midlands, new work accounted for 57%, a slightly smaller share than the UK average of 58%. The remaining was accounted for by the R&M market.

The main difference is that private housing took up a bigger slice of total output, at 18%, when compared to the UK as a whole. Although this was at the expense of the commercial sector, where the East Midlands' share was 15%, compared to the UK's 20%.

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



Source: ONS, Experian



\* nec - not elsewhere classified

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

Selected Sectors	Actual	Forecast Annual % change, real terms					
	2008	2009	2010	2011	2012	2013	2014
Public services	15	1.1	1.4	1.7	1.6	1.6	1.7
Financial and business services	15	-4.5	-0.7	1.8	3.5	3.4	3.3
Transport and communications	6	-4.2	0.2	1.8	2.1	2.3	2.5
Manufacturing	14	-12.6	0.4	1.0	-0.3	-0.8	-0.3
Distribution, hotels and catering	12	-4.8	2.3	3.0	2.5	2.6	2.7
<b>Total Gross Value Added (GVA)</b>	<b>75</b>	<b>-5.2</b>	<b>0.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.1</b>	<b>1.6</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 (2010 – 2014) provides an indication of the construction sectors in which demand is likely to be strongest.

### 2.4 Economic structure

The East Midlands economy was worth £74.8bn (in 2005 prices) in 2008, broadly unchanged from the previous year and accounting for around 6.3% of the UK total.

In 2008, the public services sector was the largest in the East Midlands, accounting for around 20.6% of total Gross Value Added (GVA). However it has gradually been losing its share since the beginning of the decade, when it constituted 22.7% of the region's economy. The financial and business services sector took second place at 20.3%, although it has been increasing its size year-on-year since 2000, when the figure stood at 15.3%.

Accounting for 19.8% in 2008, the manufacturing sector plays a fairly important role in the East Midlands economy relative to the UK as a whole, where it accounts for 12%. However it has lost its place as the most important sector since the beginning of the decade.

### 2.5 Forward looking economic indicators

On an annual average basis, the East Midlands economy is expected to grow at a rate of 1.1% between 2010 and 2014, slower than the UK as a whole which is expected to grow at 1.6%.

At 2.6% per year, the distribution, hotels and catering sector is projected to have the highest growth rate between 2010 and 2014. The financial and business services sector is also predicted to perform relatively well, with an annual average rate of increase of 2.2%.

Consumer spending in the East Midlands is forecast to rise at an average rate of 1.9% between 2010 and 2014, faster than the UK's 1.5%. However, the rate of growth for household disposable income in the region should be slower at 1.6%, and thus it is a little surprising that the debt-to-income ratio is projected to fall from its peak of 1.4 in 2008 to 1.3 in 2014. The ratio has historically been lower for the East Midlands when compared to the UK as a whole and this is expected to remain the case over the forecast period.

According to Communities and Local Government (CLG), average house prices in the East Midlands grew by 3.7% year-on-year in 2008 to reach £166,079. Following a double digit decline in 2009 and a small fall in 2010, prices should return to growth in 2011, albeit very modestly. However, the rate of increase should improve in each of the years to 2014 as improving economic conditions and an easing in mortgage lending conditions stimulates housing demand.

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

	Actual	Forecast Annual % change, real terms					
	2008	2009	2010	2011	2012	2013	2014
Real household disposable income	56	2.8	0.4	1.8	1.8	1.9	1.9
Household spending	52	-1.9	-0.1	1.5	2.5	2.8	2.9
Debt:income ratio	1.4	-0.3	-3.0	-4.8	-3.1	-1.4	-0.7
House prices (£'000, current prices)	166	-10.6	-2.4	0.2	2.1	2.6	3.2
LFS unemployment (millions)	0.13	37.2	24.5	1.9	-7.6	-11.9	-7.4

Source: ONS, DCLG, Experian



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

	Actual	Forecast Annual % change, real terms				
	2008	2004	2005	2006	2007	2008
Public housing	130	8.0	9.6	75.7	-16.2	-14.4
Private housing	528	24.0	5.5	22.4	-8.7	-57.4
Infrastructure	322	-12.5	31.5	-43.0	114.2	-20.1
Public non-housing	551	38.4	-14.8	-20.2	2.8	24.4
Industrial	206	67.9	33.1	-24.2	4.5	-46.5
Commercial	606	-21.2	88.7	-8.1	-37.5	-12.3
<b>Total new work</b>	<b>2,343</b>	<b>12.2</b>	<b>24.3</b>	<b>-3.7</b>	<b>-8.8</b>	<b>-29.3</b>

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

### 2.6 New construction orders - overview

New construction orders declined for the third consecutive year in 2008 to reach £2.3bn (current prices), down 29% from the 2007 level of £3.3bn.

Five of the six new work sectors contracted in 2008, with the falls for private housing and industrial especially sharp at 57% and 47%, respectively. Although the public non-housing sector grew by 24%, this was not enough to compensate for the declines elsewhere.

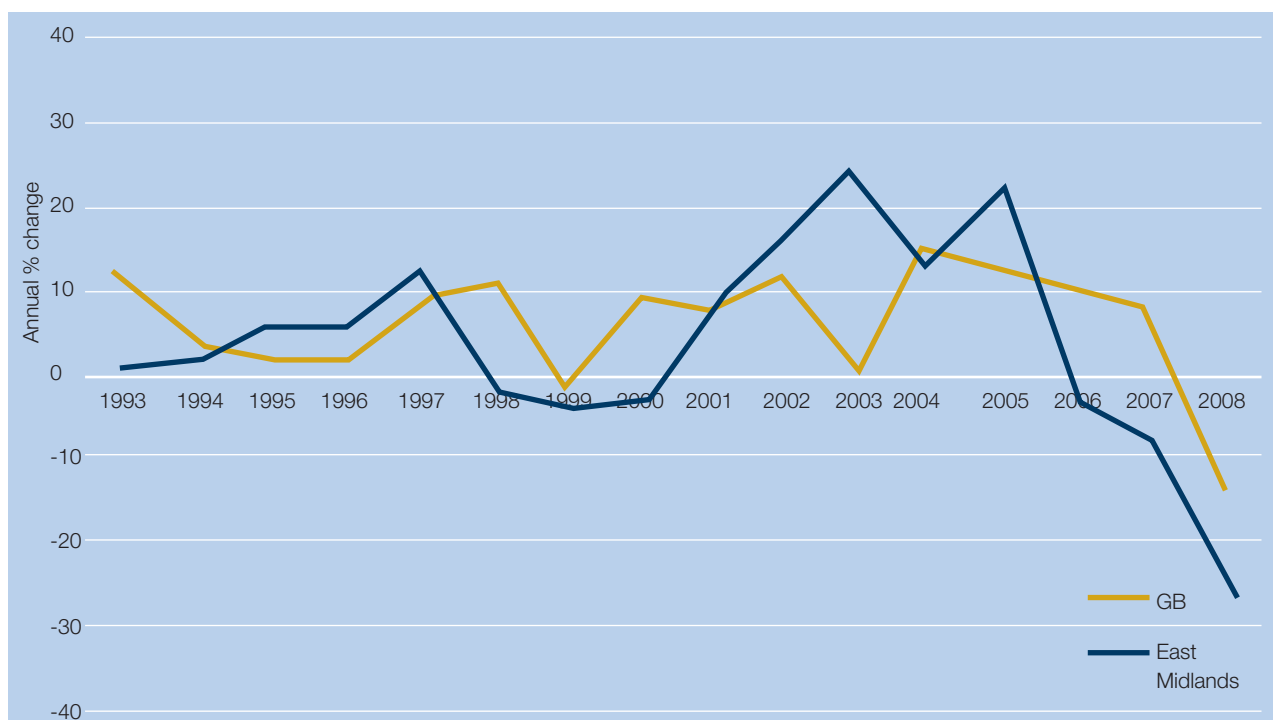
### 2.7 New construction orders - current situation

In the first three quarters of 2009 the level of new orders continued to decline, to £1.6bn in current prices, 16 per cent down on the same period of 2008. New orders for the private housing sector fell most

steeply, by 59% on an annualised basis to £191m. The industrial sector also performed poorly over the period, with a 53% contraction to £74m, with the £18m and £19m outturns for the first and third quarters of 2009, respectively, were the lowest results since 1992. This is not surprising given the extremely low levels of global and domestic demand and depleted inventory levels of manufacturers, which has left plenty spare capacity in terms of floorspace. The commercial sectors faced similar pressures, where the fall-off in demand for office, retail and leisure space has caused the level of new orders to fall by nearly a third.

However, not all the new orders movements in the first three quarters of 2009 have been negative. The infrastructure and public housing sectors were the best performers in the first nine months of 2009 as orders rose by 49% and 28%, respectively, year-on-year. At £480m, public non-residential new orders were also buoyant, increasing by 14% on an annualised basis.

### New construction orders growth 1993-2008 - East Midlands 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.

In the first six months of 2009, total construction output in the East Midlands declined by 22% year-on-year to £3.1bn (current prices). Over the same period, new work output fell by 28% to £1.7bn, while the contraction for the R&M sector was at half that magnitude, 14%, down to £1.5bn.

However, growth is expected to return to the region in 2010, a year earlier than the UK as a whole, although this would be the first increase in construction activity in real terms in the East Midlands since 2005.

The public and private housing sectors are predicted to grow strongly in the short term, with annual average rates of increase at 14.3% and 10.7%, respectively between 2010 and 2011. The former is expected to benefit from the £316m made available for new affordable housing over the three years to 2011, as well as the pickup in private housing development, which should increase the delivery of social housing units through section 106 agreements. Both housing sectors should benefit from the Kickstart programme, which is providing funds to try and get work started again on currently stalled sites. As of the end of November 2009, some £50m of funds have been allocated to 18 schemes across the region, which are due to deliver over 1,400 new homes.

The infrastructure sector is the only other one to have its average annual rate of growth in double digits between 2010 and 2011. At 12%, the buoyancy of the sector in the East Midlands is based upon a number of roads projects, with the upgrading of the section of the A46

between Newark and Widmerpool among the largest. Work is currently underway on the scheme and is predicted to run through until 2011, with costs forecast to be between £322m and £409m. According to the Highway Agency's Business Plan, some of the £400m brought forward into 2009/10 should help to fund the project. There is also the £340m scheme for the M1 between junctions 25 and 28 and the A14 near Kettering, with the former expected to be completed in 2010.

The only sector in new work which is projected to have a negative growth rate over 2010–2011 is the commercial market. The pace of decline should slow year-on-year over the three years to 2011, however this still leaves the annual average growth rate for 2010 and 2011 at a pretty negative -7%. According to the latest RICS Commercial Market Survey, the amount of available office and retail floorspace in the region has continued to increase, while the level of starts has fallen back significantly. This, alongside depressed rental yields and capital values of commercial assets, is unlikely to make speculative property development an attractive proposition for investors in the short term.

At 6.7%, the public non-housing sector is predicted to see a reasonable annual average rate of growth over 2010–2011, mainly due to work under the BSF programme. The £97m scheme for Leicester (Wave 1), the £222m project for Nottingham (Wave 2) and the £115m Derbyshire build programme (Wave 3) are predicated to be the main drivers in the short term. Furthermore, funding for Leicester, Lincolnshire and Rutland has been allocated for the 2010/11 period to kick start the Primary Capital Programme (PCP) in the East Midlands.

The industrial sector is projected to have a relatively weak annual average rate of growth of 2.8% over the short term due to the subdued state of the manufacturing sector. This is likely to leave companies unable or unwilling to invest in new factories and warehousing facilities. However, there are some planned projects in the sector such as the £23.6m industrial and distribution park in Bolsover.

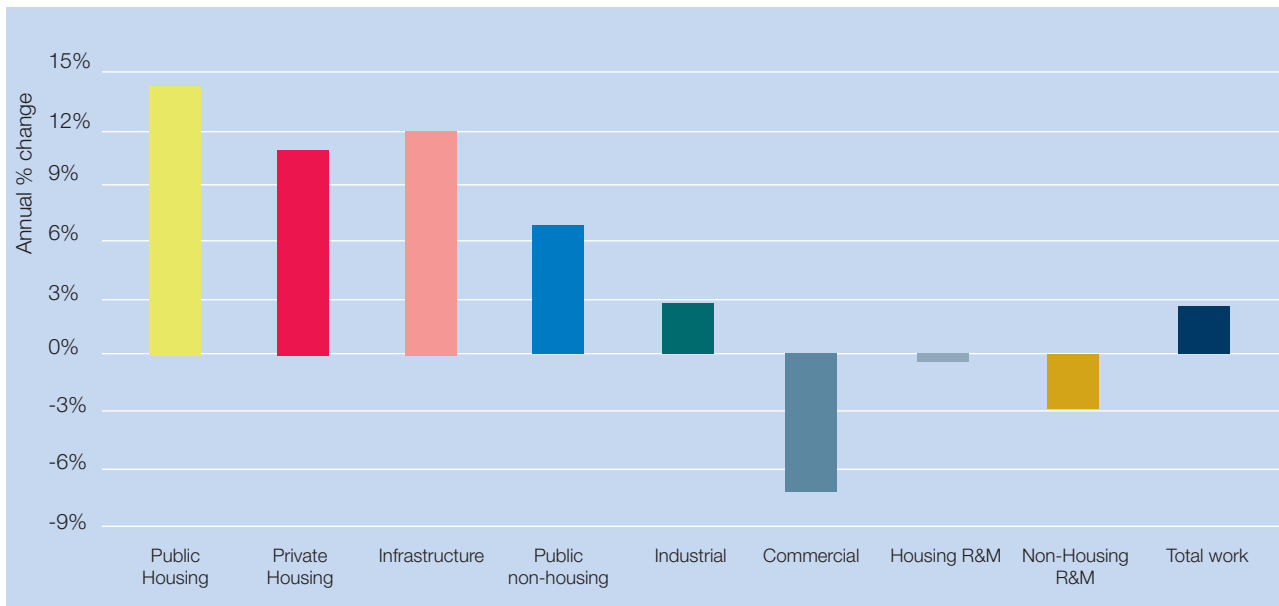
### Construction output - East Midlands (£ million, 2005 prices)

	Actual	Forecast annual % change			Annual average
	2008	2009	2010	2011	2010-2011
Public housing	221	-17%	21%	8%	14.3%
Private housing	1,306	-39%	3%	19%	10.7%
Infrastructure	509	6%	22%	3%	12.0%
Public non-housing	668	20%	11%	2%	6.7%
Industrial	363	-52%	1%	5%	2.8%
Commercial	1,051	-13%	-11%	-3%	-7.0%
<b>New work</b>	<b>4,119</b>	<b>-17%</b>	<b>5%</b>	<b>5%</b>	<b>5.3%</b>
Housing R&M	1,517	-7%	-1%	0%	-0.2%
Non-housing R&M	1,482	-24%	-4%	-1%	-2.8%
<b>Total R&amp;M</b>	<b>2,999</b>	<b>-15%</b>	<b>-2%</b>	<b>0%</b>	<b>-1.3%</b>
<b>Total work</b>	<b>7,118</b>	<b>-16%</b>	<b>2%</b>	<b>3%</b>	<b>2.5%</b>

Source: Experian  
Ref. CSN Explained, Section 4, Notes 1 and 2



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



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

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

The longer term outlook for the region is marginally more favourable, with total construction output expected to grow at an annual average rate of 2.6%, above the national average of 1.7%. New work is forecast to perform better than R&M, with growth of 4.2% per year for the former and 0.3% average increase for the latter.

At 12.3%, the private housing sector is projected to have the strongest rate of growth over the five year period. Following the steep decline in output in 2009 and the weak bounce back in 2010, the year-on-year rises to 2014 are predicted to be strong. This is partly due to output rising from a very low base in improving economic conditions, but also because the East Midlands is projected to have one of the fastest rates of household formation over the long term, which will add further pressure for new housing. Between 2006 and 2016 the number of households in the East Midlands is projected to increase by nearly 16% compared with a growth rate of 12% for England as a whole, according to the Communities and Local Government department.

The infrastructure sector should also fare reasonably over the long term, with annual average growth at 6%. However, the outturn is likely to be supported by the strong rise in 2010, rather than the weak increases thereafter. Amongst the major roads projects in the pipeline is the £168m widening of the A453, which is due to start in 2010/11. Other schemes include the £450m 1.28MW combined cycle gas turbine at Sutton Bridge and the £350m 1.220MW combined cycle gas turbine at Drakelow power station, both of which have a start date of February 2010.

The public housing and industrial sectors are projected to grow at an annual average rate of 2.6% and 4.7%, respectively, between 2010 and 2014. The former is expected to benefit from increased funding in the earlier part of the forecast period, before falls in public sector net investment begin to feed through in 2012 to give year-on-year declines to 2014. For the industrial sector, moderate growth is expected to return to the sector from 2011, albeit from a very low base. There are projects in the pipeline, of which the biggest is the £112.5m scheme to build two storage/distribution units in Retford, although the start date for the project is currently uncertain.

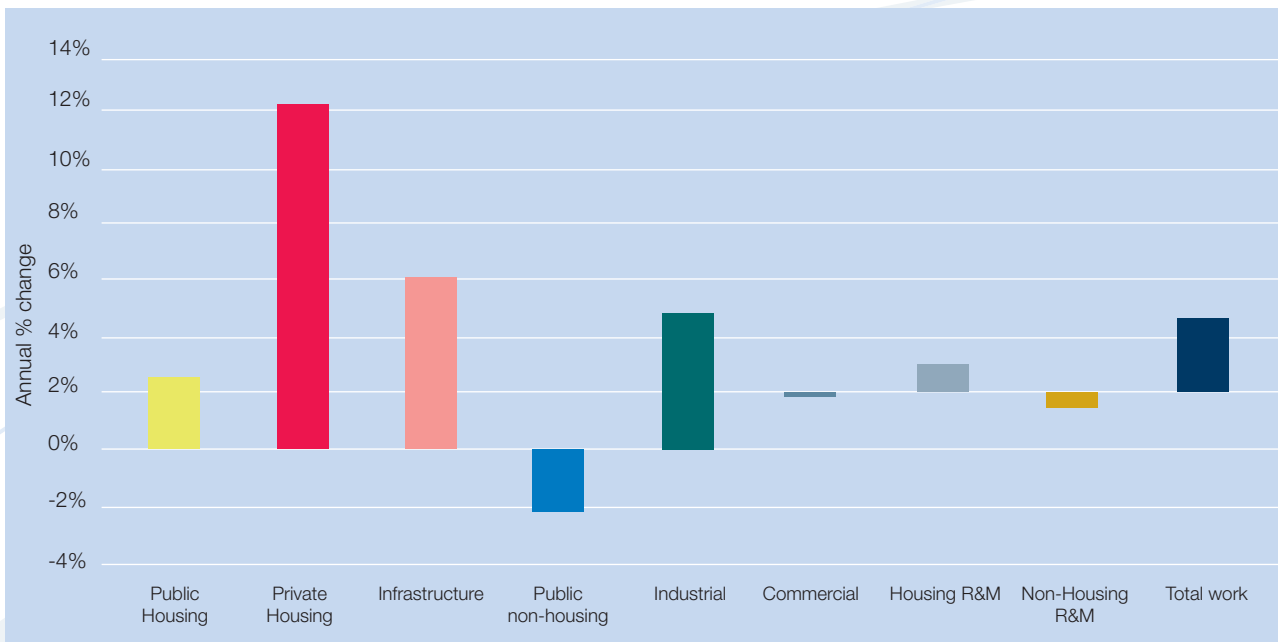
At -2.1% and -0.3%, the public non-housing and commercial sectors are forecast to be the only new work sectors to have negative annual average growth rates over the 2010 to 2014 period. The former is expected to suffer in the later part of the forecast period as the government reins-in public expenditure once economic recovery seems assured. In the commercial construction sector, despite year-on-year growth between 2012 and 2014, the declines in the early part of the forecast period are expected to keep the annual average growth rate in negative territory. However, there are projects waiting to get on site, such as the £900m mixed-use development dubbed The Island in Nottingham's Eastside Regeneration Zone, which should help the sector return to growth in the medium term.

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

	Actual	Forecast annual % change					Annual average
	2009	2010	2011	2012	2013	2014	2010-2014
Public housing	184	21%	8%	-5%	-4%	-5%	2.6%
Private housing	802	3%	19%	13%	17%	10%	12.3%
Infrastructure	540	22%	3%	3%	2%	1%	6.0%
Public non-housing	804	11%	2%	-10%	-9%	-3%	-2.1%
Industrial	175	1%	5%	7%	6%	5%	4.7%
Commercial	917	-11%	-3%	3%	4%	6%	-0.3%
<b>New work</b>	<b>3,421</b>	<b>5%</b>	<b>5%</b>	<b>2%</b>	<b>4%</b>	<b>4%</b>	<b>4.2%</b>
Housing R&M	1,414	-1%	0%	3%	1%	1%	0.9%
Non-housing R&M	1,128	-4%	-1%	1%	1%	1%	-0.6%
<b>Total R&amp;M</b>	<b>2,542</b>	<b>-2%</b>	<b>0%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>0.3%</b>
<b>Total work</b>	<b>5,963</b>	<b>2%</b>	<b>3%</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>2.6%</b>

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

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



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

# 3 Construction employment forecasts for the East Midlands

## 3.1 Total construction employment forecasts by occupation

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

In 2014, total construction employment in the East Midlands is expected to reach 150,660, down 13% on the 2008 level, although up 7% on the projected 2010 figure of 140,440. 134,130 are predicted to be working in SIC 45, with the remaining 16,530 estimated to be employed in professional occupations, within SIC 74.2.

Although the wood trades and interior fit-out occupational group was the largest in 2008, it is expected to fall to second place by 2014. Reaching 15,700 in 2014, the numbers employed in this occupational group are expected to be around 3% larger than its 2010 level, however 16% down on the 2008 figure. At 13,840, the second biggest trade occupational group in 2014 is predicted to be construction managers, up around 9% on the 2010 estimated total.

Between 2010 and 2014, civil engineering operatives nec\* (43%), labourers nec\* (38%) and plant operatives (36%) are projected to grow the fastest in percentage terms.

In contrast, the number of bricklayers employed in 2014 is likely to be down by 9% on the 2010 level in the East Midlands, while floorers (4%), bricklayers (1%) and specialist building operatives (1%) are also expected to be fewer in number when compared with five years earlier.

Total construction employment forecasts by occupation	Actual 2008	Forecast	
		2010	2014
Senior, executive, and business process managers	6,870	4,940	5,570
Construction managers	16,240	12,730	13,840
Non-construction professional, technical, IT, and other office-based staff	17,740	15,290	16,550
Wood trades and interior fit-out	18,710	15,300	15,700
Bricklayers	7,610	6,780	6,690
Building envelope specialists	5,270	4,580	4,720
Painters and decorators	9,880	7,710	7,890
Plasterers and dry liners	4,320	2,900	3,020
Roofers	2,520	2,180	2,230
Floorers	3,290	2,870	2,760
Glaziers	3,500	2,720	2,480
Specialist building operatives nec*	3,990	3,460	3,440
Scaffolders	1,490	890	1,050
Plant operatives	3,230	3,130	4,250
Plant mechanics/fitters	2,340	2,310	2,460
Steel erectors/structural	2,710	1,880	1,880
Labourers nec*	8,060	6,110	8,460
Electrical trades and installation	16,170	13,180	11,950
Plumbing and HVAC Trades	9,940	8,610	8,900
Logistics	2,760	2,060	2,600
Civil engineering operatives nec*	4,460	3,220	4,590
Non-construction operatives	2,290	2,080	3,100
Civil engineers	3,670	2,510	2,570
Other construction professionals and technical staff	10,230	8,390	9,100
Architects	1,790	1,450	1,650
Surveyors	3,740	3,180	3,230
<b>Total (SIC 45)</b>	<b>153,390</b>	<b>124,930</b>	<b>134,130</b>
<b>Total (SIC 45 and 74.2)</b>	<b>172,830</b>	<b>140,440</b>	<b>150,660</b>

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

\* nec - not elsewhere classified

## 3.2 Annual recruitment requirements 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 East Midlands' construction industry is illustrated in the table. The ARR of 5,260 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.

Of the trade occupations, labourers nec\* (1,210) and wood trades and interior fit out (800) have the largest ARRs, followed by building envelope specialists at 360. However as a percentage of the 2010 employment base, although labourers nec\* (20%) and building envelope specialists (8%) are once again amongst those predicted to be most in demand. Civil engineers and specialist building operatives should also do well at 8% and 6%, respectively.

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.

Finally, 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	100
Non-construction professional, technical, IT, and other office-based staff	1,220
Wood trades and interior fit-out	800
Bricklayers	190
Building envelope specialists	360
Painters and decorators	160
Plasterers and dry liners	-
Roofers	-
Floorers	<50
Glaziers	80
Specialist building operatives nec*	200
Scaffolders	<50
Plant operatives	230
Plant mechanics/fitters	-
Steel erectors/structural	-
Labourers nec*	1,210
Electrical trades and installation	-
Plumbing and HVAC Trades	130
Logistics	-
Civil engineering operatives nec*	160
Non-construction operatives	-
Civil engineers	210
Other construction professionals and technical staff	140
Architects	-
Surveyors	<50
<b>Total (SIC 45)</b>	<b>4,890</b>
<b>Total (SIC 45 and 74.2)</b>	<b>5,260</b>

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

\* nec - not elsewhere classified

# 4 Comparisons across the UK

On an annual average basis, construction output for all the regions and nations in the UK is expected to grow between 2010 and 2014. The East of England is likely to be the star performer with an average rate of increase of 3.8%, while Scotland, East Midlands and Wales are also expected to do well.

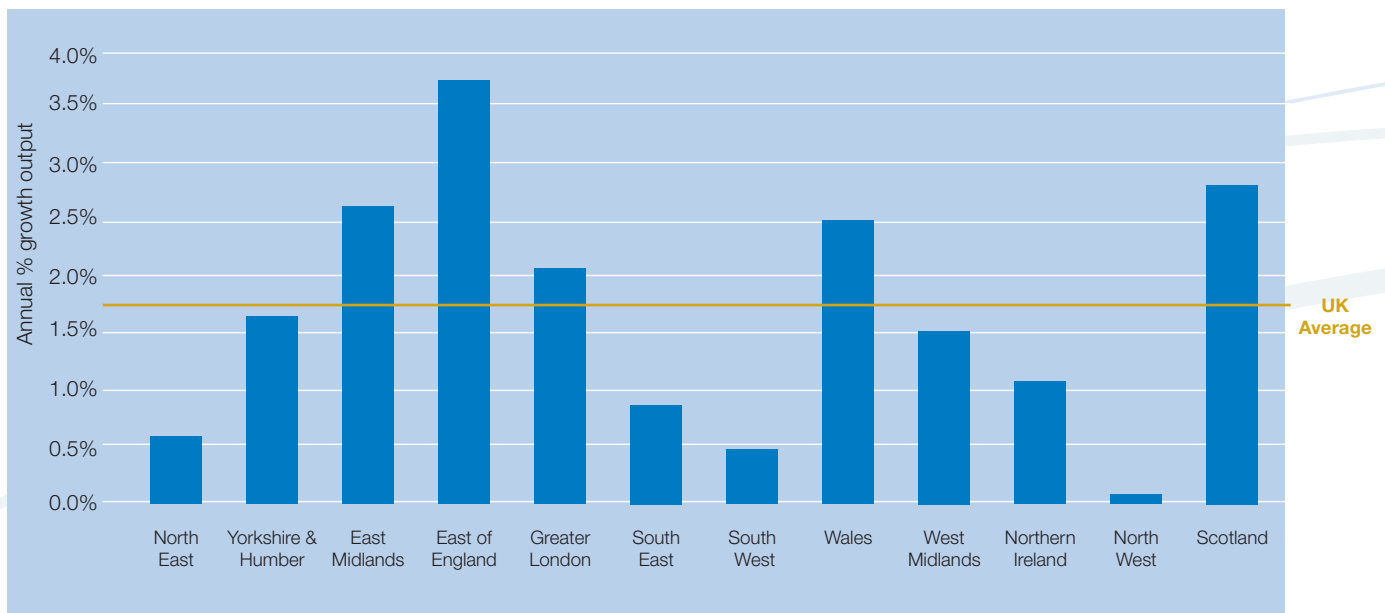
With average year-on-year growth of 12.3% over the 2010 to 2014 period, the private housing sector in the East Midlands is forecast to be the most buoyant in the UK. Underlying demand for housing, which has been exacerbated by the long-term mismatch between supply and demand of units in the region, and an overall easing in lending conditions for both consumers and house builders should be the main drivers, plus a high rate of household formation. Yorkshire and Humber, the East of England and Scotland are likely to be the only other regions to have a rate of growth in double-digits for private housing output over the same period.

In contrast, the public housing sector in the East Midlands is predicted to have one of the lowest annual average rates of increase in the UK between 2010 and 2014. At 2.7%, the figure is expected to be better than Northern Ireland (0.6%) and the South West (2.5%), but worse than the other nine regions and devolved nations. On a brighter note,

the sector should benefit from the £316m which has been made available for new affordable housing to cover 235 individual housing schemes, in the three years to 2011 in the region.

East Midlands' infrastructure sector at 6% is expected to come second to private housing when comparing the average rate of growth over the four years to 2014. The projected outturn for the sector is predicted to be below the UK figure of 8.5% and noticeably lower than the Greater London and the East of England figures of 17.1% and 13.4%, respectively. Projects either on site or in the pipeline in the capital include Thameslink, Tottenham Court Road Underground redevelopment, the Thames Water Tideway Tunnel project, and by far the biggest of them all, Crossrail. Meanwhile the East of England should benefit from a significant stream of output coming through via the roads and harbours sub-sectors.

## Annual average output growth by region 2010 - 2014

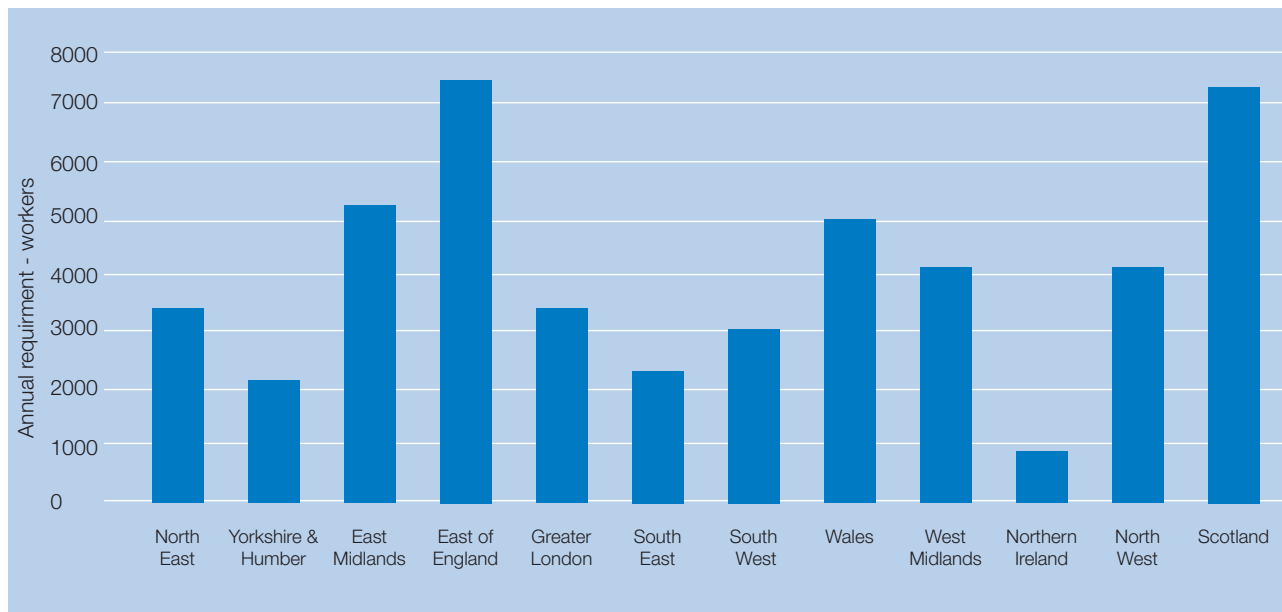


Source: Ref. CSN Explained, Section 4, Note 2

The public housing sector in the East Midlands should benefit from the **£316m** which has been made available for new affordable housing.

After the East of England and Scotland, the East Midlands is forecast to have the largest ARR in the UK between 2010 and 2014 at 5,260. The region suffers from high net outflows, thus the need to replace those leaving the industry, over and above the natural flows in the employment market, is expected to be high. Although the same story applies to Scotland, the East of England differs in that it has a large R&M market, which is much more labour intensive and thus generates more jobs per £1m of output.

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



Source: CSN, Experian

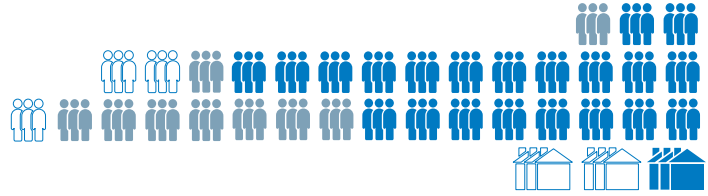


Lincoln Cathedral

After the East of England and Scotland, the East Midlands is forecast to have the largest ARR in the UK between

**2010 and 2014 at 5,260.**





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