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04 June 2019 CLC CALLS FOR SHIFT TO DIRECT EMPLOYMENT

Today (4 June 2019) the Construction Leadership Council's Skills Workstream has published its influential <u>Future Skills Report</u> which follows a wide ranging consultation exercise with a number of industry bodies, client organisations, the University of Cambridge, the Department for Business, Energy and Industrial Strategy and a large number of construction delivery organisations.

Given we are on the cusp of one of the greatest programmes of construction in history with a pipeline of more than £600bn, but face 30% of the construction workforce set to retire in the next decade and the end to Freedom of Movement this is a critical time for the industry.

The report puts forward three actions:

1. Direct employment

With such a fragmented industry and high proportion of micro-businesses construction has suffered from underinvestment in training and development. We call for clients to agree a code of employment where those who contribute to a project are directly employed, thereby ensuring it is in the employer's best interest to train their staff and benefit from their improved productivity.

2. Encourage Smart Construction

Create an environment where Smart Construction methods are encouraged through early design and procurement processes, thereby creating the demand for skilled employees which in turn drives employers to invest in the training, Smart Construction techniques and behaviours.

3. Update construction training

Industry qualifications and training content is updated to include Smart Construction techniques and behaviours with funding made available to accelerate adoption.

Alongside these actions the report outlines a series of different measures which the CLC will be using to track the progress of the industry.

Mark Reynolds, Skills Workstream Lead at the CLC said:

"This important report clearly sets out the challenge the industry and our clients face and the actions that must be taken now to avoid significant skills shortages in the future.

When we have seen projects with higher levels of direct employment the results are often better, the workforce more engaged and ultimately the client and end users are happier with the final product."

John O'Connor, Laing O'Rourke's Group Commercial Director and co-author of the report commented:

"We welcome this cross-sector report which details a clear action plan to address our future skills need.

Ours is a changing industry and we need to attract digitally literate talent into our sector, who are committed to delivering projects in a virtual environment, integrated with an offsite manufacturing-led approach. Positively promoting such skills in our sector will ensure we continue to innovate in a modern and smart construction environment."

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