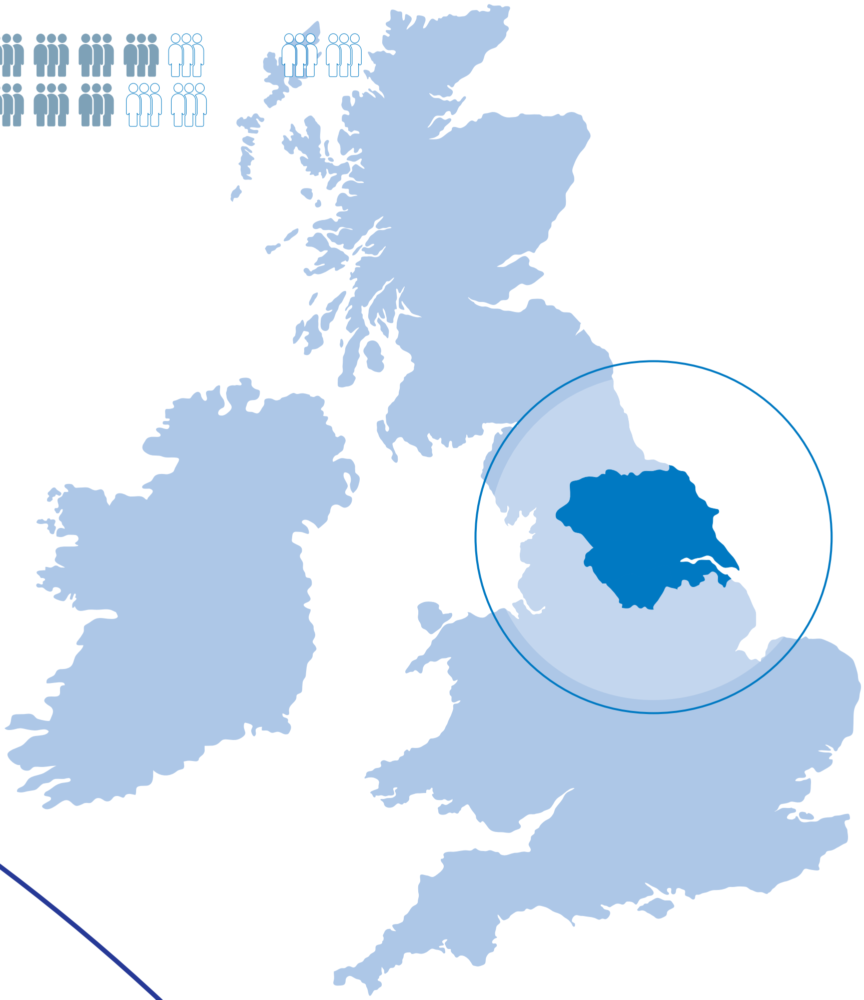

ConstructionSkills Network 2010-2014 Yorkshire and Humber

LABOUR MARKET INTELLIGENCE

Experian™

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Labour Market Intelligence

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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 - Yorkshire and Humber

The annual average rate of growth in construction output for Yorkshire and Humber is expected to be 1.6% between 2010 and 2014. This is broadly in line with the UK figure of 1.7%. The new work sector is forecast to see an annual average increase in output over the forecast period, whilst the repair & maintenance sector will generally see no change in output. Construction employment in the region is predicted to reach just over 192,000 in 2014, 3.8% higher than employment in 2010, but still significantly 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
East Midlands	2.6%	10,220	5,260
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
UK	**1.7%**	**93,010**	**47,790**

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

The annual average rate of growth in construction output for Yorkshire and Humber is expected to be

1.6%

between 2010 and 2014

Key findings

The most buoyant sector over the 2010 to 2014 forecast period in Yorkshire and Humber will be the private housing sector, with an annual average growth rate of 10.3%. The recent weak improvements in the housing market are likely to strengthen in 2010 and the recovery in demand will be more sustained. This increase in demand will underpin the growth that is expected in each year of the forecast period. The public housing sector is also forecast to fare well, although growth will largely be in the shorter term. The government has recently announced increased investment in housing, largely through the Kickstart Delivery programme, which is designed to help restart stalled mixed-tenure developments. However, in the longer term, the public sector will not be immune from the inevitable public spending cuts and this will dampen growth.

The outlook for the infrastructure sector is also rosy, with annual average growth of 6.1% over the 2010 to 2014 forecast period. Contracts were let on the Dishforth to Leeming section of the A1 improvement scheme in 2009 and work is well underway. This, along with further sections of this project, is expected to be the main driver of growth in the sector, with output forecast to rise in each year to 2014.

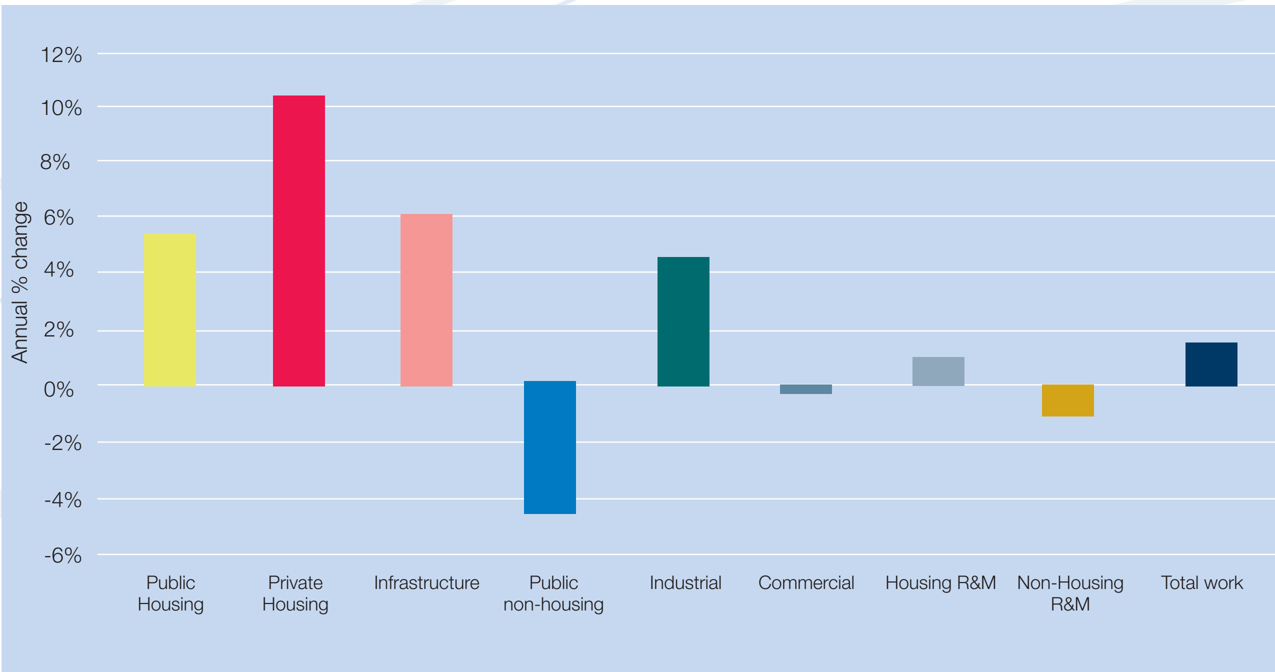
Public non-housing output will be hit by the government spending cuts that are likely from 2011 onwards. Investment in education and health projects, among others, will be significantly scaled back as the government attempts to reduce the rapidly ballooning public deficit. Funding for waves 1-4 of the Building Schools for the Future (BSF) programme is probably guaranteed, however future waves are much less certain. The annual average decline in public non-housing output is forecast at 4.6%.

Construction employment in Yorkshire and Humber is predicted to reach 192,050 in 2014, around 4% higher than 2010's level, but still 15% below construction employment levels in the region in 2008. Wood trades and interior fit-out was the largest trade occupational group in the region in 2008, accounting for 10.8% of construction employment, marginally smaller than the UK figure of 11.2%. Between 2010 and 2014, the largest rises in employment are expected for civil engineering operatives nec* and labourers nec* (both 32%).

The annual recruitment requirement for the region is 2,220, with labourers nec* (540) and floorers (340) expected to be most in demand.

Winter Graden, Sheffield

Annual average construction output growth 2010-2014 - Yorkshire and Humber



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

* nec - not elsewhere classified

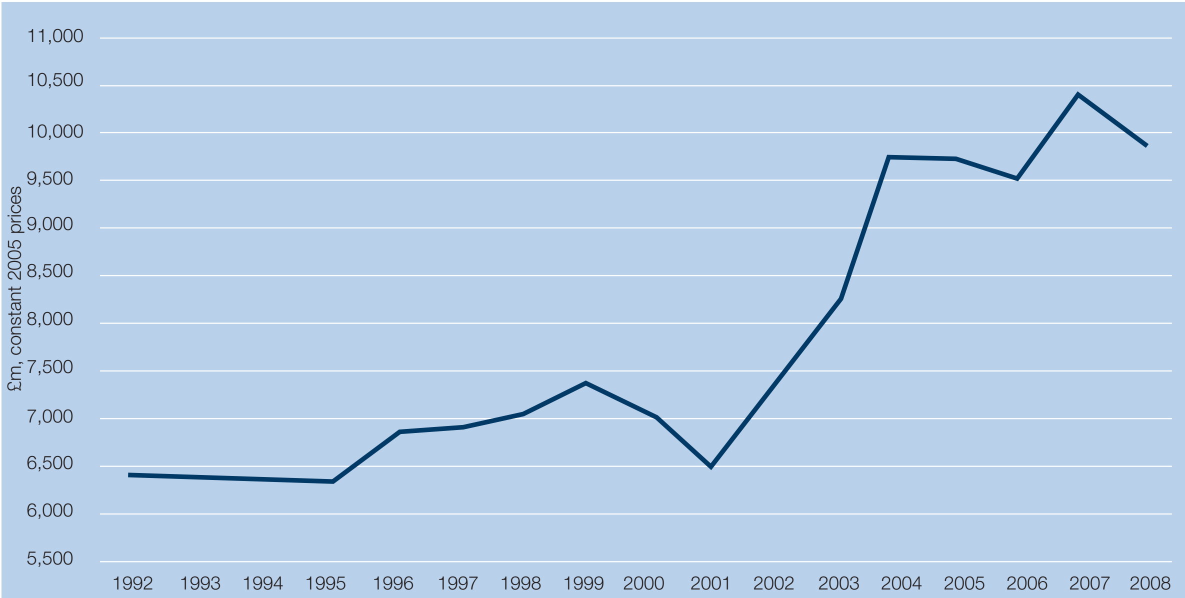
2 The outlook for construction in Yorkshire and Humber

2.1 Construction output in Yorkshire and Humber – overview

Construction output in Yorkshire and Humber totalled £9.7bn, in 2005 prices, in 2008, 6% lower than the previous year. New work output contracted by 15%, whilst repair and maintenance (R&M) output rose by 8%. The buoyant performance of the R&M sector was driven by housing R&M, where output rose for the first time in four years by a robust 16%.

The strongest decline was seen in the industrial sector, where output fell by 26%, a second consecutive annual contraction. Unsurprisingly, the private housing sector also saw a marked fall in output, dropping 24% and reflecting very tough market conditions, particularly during the second half of the year. However, the 23% contraction in public housing sector output was unexpected, given work on the 2008–2011 Affordable Housing Programme (AHP) was well underway. That said, the decline followed a particularly buoyant performance in 2007 and the annual outturn was still fairly strong at £182m.

Construction output 1992-2008 - Yorkshire and Humber



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

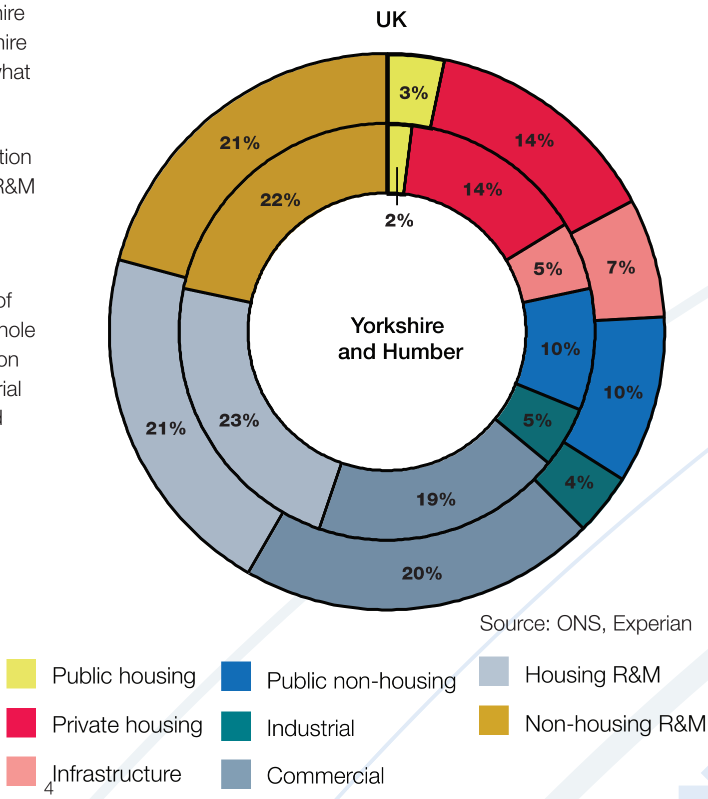
2.2 Industry structure

The diagram, Construction Industry structure 2008 – UK vs. Yorkshire and Humber, shows the sector breakdown of the industry in Yorkshire and Humber compared to that in the UK. The percentages show what proportion of total construction output each sector accounts for.

One of the major differences between the structure of the construction industry in Yorkshire and Humber is the relative importance of the R&M sectors. In the UK, R&M output accounts for 42% of construction output; in Yorkshire and Humber, this figure is 45%.

The infrastructure sector accounts for a slightly smaller proportion of output in Yorkshire and Humber (5%) than it does in the UK as a whole (7%), while both public housing and commercial sectors in the region are slightly smaller than in the UK as a whole. However, the industrial sector makes up 5% of output in Yorkshire and Humber, compared with a UK figure of 4%.

Construction industry structure 2008 - UK vs. Yorkshire and Humber



Source: ONS, Experian

Economic structure - Yorkshire and Humber (£ billion, 2005 prices)

Selected sectors	Actual 2008	Forecast Annual % change, real terms 2009	2010	2011	2012	2013	2014
Public services	20	-0.5	1.0	0.7	0.6	0.6	0.8
Financial and business services	16	-7.1	1.0	3.3	4.0	4.0	3.8
Transport and communications	6	-3.6	0.4	1.6	1.1	1.1	1.2
Manufacturing	14	-11.3	0.7	2.3	1.5	1.2	1.2
Distribution, hotels and catering	13	-4.7	1.7	2.5	2.5	2.6	2.6
Total Gross Value Added (GVA)	**82**	**-5.3**	**1.4**	**2.2**	**1.8**	**1.8**	**2.0**

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 from 2010 to 2014 provides an indication of the construction sectors in which demand is likely to be strongest.

2.4 Economic structure

Gross Value Added (GVA) in Yorkshire and Humber was £82bn, in 2005 prices, in 2008, broadly unchanged from the previous year. This was around 7% of the UK total.

In 2008, the largest sector in Yorkshire and Humber was public services, taking a 24% share of output, a slightly higher proportion than in the UK as a whole at 22%. However, the relative importance of the sector to the region's economy has been gradually declining since the beginning of the decade, when it accounted for around 27% of output.

The manufacturing sector accounted for 17% of output in Yorkshire and Humber and is relatively more important than in the UK as a whole, where the sector takes a 12% share of output.

2.5 Forward looking economic indicators

GVA in Yorkshire and Humber is expected to rise in each year of the forecast period, although rates of growth will be much weaker than those seen in the early years of the decade. The annual average growth rate is expected to be 1.8%, broadly in line with the UK figure of 1.6%. The strongest growth is expected in the financial and business services sector, with an annual average growth rate of 3.2%. The public services sector is forecast to see an average increase of just 0.7% per year, the weakest of all the sectors.

Real household disposable income in Yorkshire and Humber is expected to be 6.3% higher in 2014 than in 2010, which is a slightly weaker rise than in the UK as a whole. The increase in household spending is forecast to be much stronger than income, rising by 9% over the period to 2014 and the outlook for employment is fairly modest. Following a further decline in 2010, employment levels are expected to increase in the remaining years of the forecast period, albeit only moderately.

House price figures published by the Department for Communities and Local Government (DCLG) showed that the average house price in Yorkshire and Humber fell to £159,253 in 2008, 2.6% lower than in the previous year. This was a stronger rate of house price deflation than across the UK as a whole, where they fell by 1.1%. House prices in the region began to fall, year-on-year, in the third quarter of 2008, declining by 4.9%. The rate of house price deflation accelerated in the fourth quarter of that year and again in the three months to March 2009, before beginning to ease. House prices fell by 5.8%, year-on-year, in the third quarter of 2009.

Debt levels in Yorkshire and Humber have historically been very low, and the debt-to-income ratio only rose above 1.0 in 2004. By 2008, the figure was 1.2, a high ratio for the region, but well below the UK figure of 1.7. The ratio is expected to have peaked in the region in 2008 and will fall throughout the forecast period, declining below 1.0 again in 2012.

Economic indicators - Yorkshire and Humber (£ billion, 2005 prices - unless otherwise stated)

	Actual 2008	Forecast Annual % change, real terms 2009	2010	2011	2012	2013	2014
Real household disposable income	64	0.0	2.0	2.8	1.0	0.8	1.5
Household spending	65	-3.4	0.5	2.3	2.3	2.0	2.1
Debt:income ratio	1.2	-0.8	-6.3	-6.7	-3.4	-1.5	-1.3
House prices (£'000, current prices)	159	-8.5	3.0	5.7	5.9	4.7	4.8
LFS unemployment (millions)	0.16	43.5	22.0	-1.8	-11.9	-13.9	-9.1

Source: ONS, DCLG, Experian

New work construction orders - Yorkshire and Humber (£ million, current prices)

	Actual	Annual % change				
	2008	2004	2005	2006	2007	2008
Public housing	137	17.3	127.9	-23.0	74.5	-26.7
Private housing	529	14.8	-0.5	15.2	13.5	-60.3
Infrastructure	235	-36.7	59.2	52.5	-25.6	-48.1
Public non-housing	668	54.9	-25.1	0.4	18.6	-1.8
Industrial	293	32.1	-6.6	25.5	-30.5	-15.3
Commercial	863	5.5	0.1	14.5	58.4	-50.0
Total new work	**2,724**	**13.7**	**0.1**	**16.5**	**16.7**	**-42.3**

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

2.6 New construction orders - overview

New construction orders in Yorkshire and Humber fell by 42% in 2008, to total £2.72bn, in current prices. This was the weakest annual outturn since 2002.

Orders fell across all the sectors with private housing, unsurprisingly, seeing the strongest contraction of 60%. The commercial sector was also badly hit, as new orders halved during 2008. However, this was compared to a particularly strong year in 2007, when new commercial orders rose to a record high. The total of £863m for the sector in 2008 was still a solid outturn. In contrast, the public non-housing sector saw new orders fall by a much more modest 2% to total £668m, substantially smaller than the contractions in the other sectors.

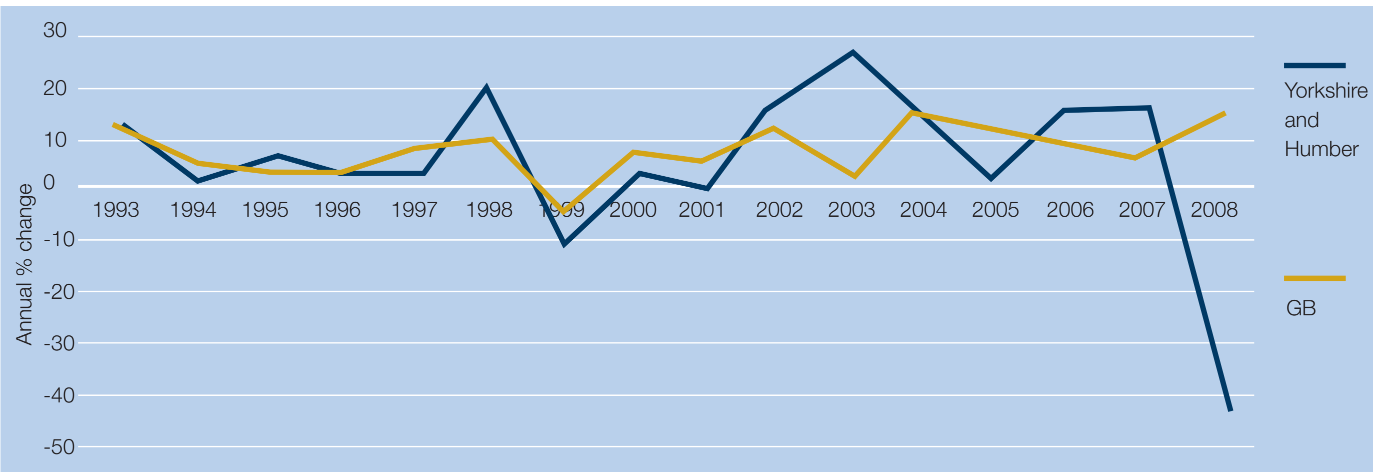
2.7 New construction orders – current situation

New orders continued to fall in the first three quarters of 2009, although by a much more modest 7%, year-on-year. New orders totalled £2.1bn in the nine months to September 2009.

New orders in the infrastructure sector were particularly buoyant in the first half of the year, largely as a result of contracts being let on the Dishforth to Leeming section of the A1 improvement scheme. New infrastructure orders totalled £542m in the first three quarters of 2009, an increase of 190% on the same period of 2008. The public non-housing sector was the only other to see growth of new orders. In the nine months to September 2009, new orders in the sector rose 32% to £739m, reflecting work continuing on the region's BSF programme.

The private housing sector, unsurprisingly, saw the strongest decline across all sectors, with new orders contracting by 55% to £218m. New orders for private house building have averaged just £65m a quarter over the past five quarters, compared with over £330m only two years ago. Housing market conditions remained very tough in 2009, as credit conditions severely dampened demand and job worries also had an impact. The commercial sector did not fare much better, totalling £342m and new commercial orders were 50% lower than in the same period of 2008.

New construction orders growth 1993-2008 - Yorkshire and Humber 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.

Construction output totalled £4.2bn, in current prices, in Yorkshire and Humber for the first half of 2009. This was 20% lower than the same period of 2008 and a 13% decline on the second half of that year. The year-on-year fall in new work output was 25%, significantly stronger than the reduction of 14% in R&M. Total construction output in the region is estimated to have contracted by 17% in real terms in 2009.

In the short term, the outlook for construction in Yorkshire and Humber is weak. Growth is not expected to return to the industry until 2011 and even then only very modestly. Output is forecast to decline at an annual average rate of 0.1% in 2010 and 2011.

The performance of R&M output is expected to be poor in 2010 and 2011, falling by 2% each year. In contrast, new work output will stagnate in 2010 before seeing growth of 3% the following year, giving an annual average rate of +1.6%.

The new work sectors will see substantial variations in performance in 2010 and 2011. The weakest sector will be the commercial sector, with output expected to decline in both years, the only sector to see this. Demand for office facilities, in particular, remains very weak and there are a large amount of speculative development that remains empty. Thus, developers are unlikely to start new sites, or indeed restart mothballed sites, until there is evidence of stronger demand. Leeds is the main offices market in the region and recent reports show take up of available office space in the city still at low levels.

The housing sector will benefit from increased government investment, through programmes such as the Kickstart Delivery programme, whose aim is to help restart stalled mixed-tenure developments. To November 2009, Yorkshire and Humber had benefitted from £35.4m of funding under Kickstart, which should unlock the development of over 1,000 homes. In addition, the 2008–2011 AHP is in full swing in the public housing sector with additional funding allocations having been made. These levels of funding will drive output in the sector in the short term and an annual average growth rate of 9.5% is forecast in 2010 and 2011.

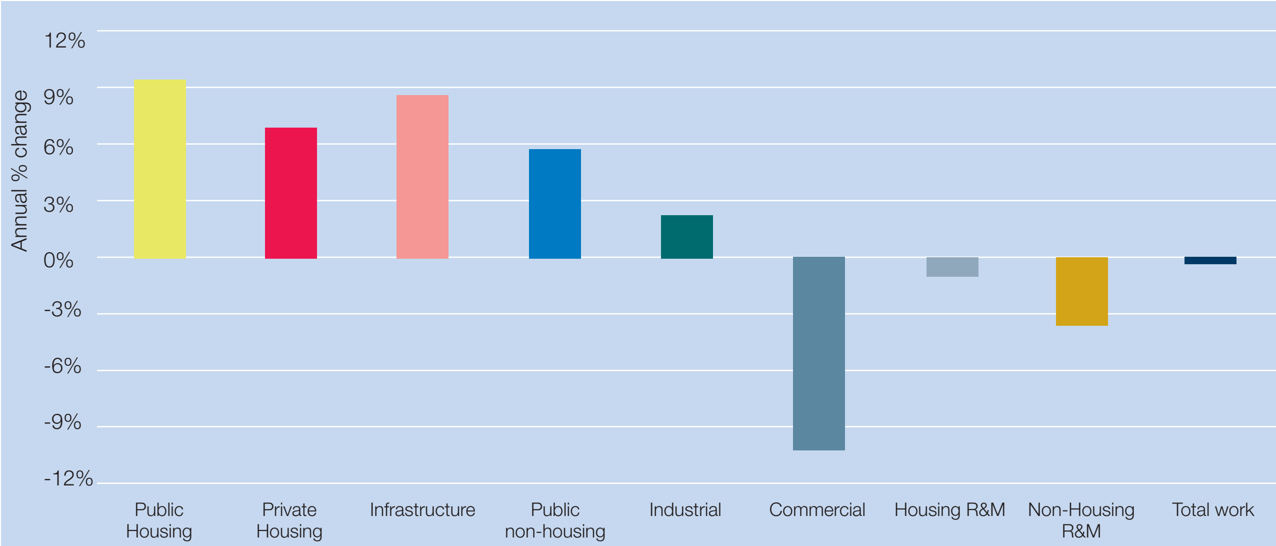
Following two years of marked decline, the private housing sector will return to growth in 2010, as demand continues to improve. Growth will accelerate in 2011, and the annual average rate of increase is forecast to be 6.7% over the 2010–2011 period.

Construction output - Yorkshire and Humber (£ million, 2005 prices)

	Actual	Forecast annual % change			Annual average
	2008	2009	2010	2011	2010-2011
Public housing	182	1%	9%	10%	9.5%
Private housing	1,407	-42%	5%	8%	6.7%
Infrastructure	513	34%	7%	10%	8.5%
Public non-housing	937	2%	12%	-1%	5.7%
Industrial	454	-21%	0%	5%	2.2%
Commercial	1,891	-29%	-17%	-3%	-10.1%
New work	**5,385**	**-19%**	**0%**	**3%**	**1.6%**
Housing R&M	2,256	-10%	-1%	-1%	-0.6%
Non-housing R&M	2,105	-19%	-4%	-3%	-3.7%
Total R&M	**4,361**	**-14%**	**-2%**	**-2%**	**-2.0%**
Total work	**9,746**	**-17%**	**-1%**	**1%**	**-0.1%**

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

Annual average construction output growth 2010-2011 - Yorkshire and Humber



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

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

Total construction output is forecast to increase at an annual average rate of 1.6% in Yorkshire and Humber between 2010 and 2014. This is broadly in line with the UK average of 1.7%. Growth will be driven by new work output, which is expected to increase at average rate of 2.9% per year. In contrast, R&M output is expected to be largely unchanged in 2014 compared with the predicted outturn for 2010.

The most buoyant performance is expected in the private housing sector, where the annual average growth rate of 10.3% is substantially higher than for any other sector. The tentative signs of improvement in the housing market that have been seen recently are likely to strengthen in 2010 and there will be a more sustained recovery in demand. Housebuilders are likely to begin building again and this will underpin a solid recovery in private housing output. With levels of indebtedness in Yorkshire and Humber at lower levels than in the UK as a whole, prospective house purchasers in the region are likely to be well place to take advantage of the upturn.

The public housing sector is also forecast to see strong growth, although this is almost entirely in the shorter term, with levels of government funding likely to tail off as it tries to rein in expenditure. Although the next AHP is unlikely to see any significant increase in investment, the annual average growth rate for this sector is forecast to be 5.3% over the period to 2014.

Infrastructure output is likely to fare well over the medium term, with a significant stream of work expected from the various sections of the A1 improvement programme. Work started on the Dishforth to Leeming section of the £320m Dishforth to Barton part of the programme in March 2009 and it is due to continue until at least 2012. There is also an £800m integrated gasification combined cycle (IGCC) power station planned in Hatfield near Doncaster, with work expected to be completed by 2011. The annual growth rate for the sector is 6.1% over the 2010–2014 period.

The weakest outlook is for the public non-housing sector, with output forecast to decline in each year with the exception of 2010. Although there are a number of BSF projects in the pipeline, notably in Sheffield and Bradford, only part of the schemes are publicly funded and will therefore show up in this sector. As is the same across the whole of the UK, the inevitable government funding cuts are likely to impact on this sector, with the number of health and education projects, among others, severely reduced. The annual average rate of contraction of output in the sector is forecast to be 4.6%.

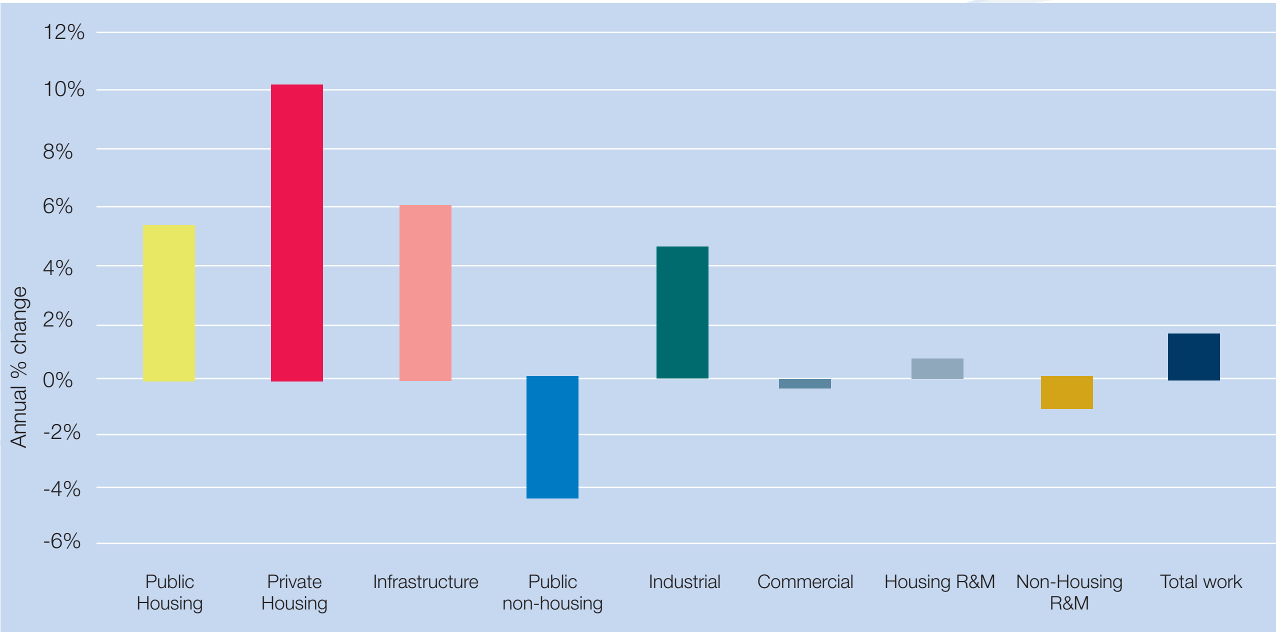
The commercial construction sector is also expected to see an annual average decline in output over the 2010–2014 period, however it is forecast to be only a negligible 0.4%. This is largely due to a marked decline in the early years of the forecast period, with moderate growth expected to return to the sector in 2012. A number of commercial projects in Yorkshire and Humber have been mothballed or delayed, including Westfield's planned £320m scheme in Bradford, which is now not due to start until mid-2010 at the earliest. For the sector, the recovery is likely to be fairly slow and come from a very low base.

Construction output - Yorkshire and Humber (£ million, 2005 prices)

	Estimate	Forecast annual % change					Annual average
	2009	2010	2011	2012	2013	2014	2010-2014
Public housing	184	9%	10%	1%	4%	4%	5.3%
Private housing	819	5%	8%	14%	16%	9%	10.3%
Infrastructure	686	7%	10%	4%	5%	5%	6.1%
Public non-housing	952	12%	-1%	-13%	-13%	-6%	-4.6%
Industrial	357	0%	5%	8%	6%	4%	4.5%
Commercial	1,346	-17%	-3%	4%	6%	10%	-0.4%
New work	**4,343**	**0%**	**3%**	**2%**	**4%**	**5%**	**2.9%**
Housing R&M	2,034	-1%	-1%	2%	2%	2%	0.9%
Non-housing R&M	1,708	-4%	-3%	1%	1%	0%	-1.2%
Total R&M	**3,741**	**-2%**	**-2%**	**2%**	**1%**	**1%**	**0.0%**
Total work	**8,085**	**-1%**	**1%**	**2%**	**3%**	**3%**	**1.6%**

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

Annual average construction output growth 2010-2014 - Yorkshire and Humber



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

3 Construction employment forecasts for Yorkshire and Humber

3.1 Total construction employment forecasts by occupation

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

Construction employment in Yorkshire and Humber is forecast to total 192,050 in 2014, including both SIC 45 and 74.2. This is 4% higher than the predicted total for 2010, but 15% lower than 2008's total. The region's construction employment began to decline in 2008 and is expected to continue falling until 2011, before seeing year-on-year growth in the remaining years of the forecast period.

As is the case across most regions and nations, the largest trade occupation in Yorkshire and Humber in 2008 was wood trades and interior fit-out. This group accounted for 10.8% of total construction employment in the region, slightly smaller than the UK figure of 11.2%. Employment levels in wood trades and interior fit-out is expected to be flat between 2010 and 2014, although it will remain the largest construction specific occupational group.

Growth in employment between 2010 and 2014 among construction specific occupations is expected to be strongest for civil engineering operatives nec* and labourers nec*, both at 32%. These are also the two occupational groups projected to see the largest increases in absolute terms, with labourers nec* seeing a significantly larger rise than civil engineering operatives nec*. There are a number of occupational groups that are expected to see falling levels of employment between 2010 and 2014. The strongest declines are predicted for specialist building operatives nec* (10%) and electrical trades and installation (7%).

Total construction employment forecasts by occupation	Actual 2008	Forecast 2010	Forecast 2014
Senior, executive, and business process managers	10,250	6,980	7,060
Construction managers	19,520	15,010	15,330
Non-construction professional, technical, IT, and other office-based staff	23,310	20,190	21,690
Wood trades and interior fit-out	24,530	20,700	20,710
Bricklayers	9,750	8,670	8,490
Building envelope specialists	8,170	6,580	6,220
Painters and decorators	10,090	8,670	9,090
Plasterers and dry liners	5,130	3,860	3,960
Roofers	2,840	2,600	2,610
Floorers	3,820	3,390	3,260
Glaziers	3,560	3,220	3,060
Specialist building operatives nec*	5,950	4,520	4,050
Scaffolders	2,590	1,870	2,340
Plant operatives	4,570	3,890	4,830
Plant mechanics/fitters	3,490	3,240	3,350
Steel erectors/structural	2,220	2,160	2,500
Labourers nec*	10,350	8,110	10,680
Electrical trades and installation	18,570	15,550	14,430
Plumbing and HVAC Trades	18,600	15,330	14,740
Logistics	3,120	2,250	2,710
Civil engineering operatives nec*	6,330	4,790	6,310
Non–construction operatives	4,020	2,950	3,690
Civil engineers	4,850	4,390	4,780
Other construction professionals and technical staff	13,060	10,110	10,390
Architects	2,530	1,720	1,610
Surveyors	5,690	4,290	4,160
Total (SIC 45)	**200,780**	**164,530**	**171,110**
Total (SIC 45 and 74.2)	**226,910**	**185,010**	**192,050**

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

* nec - not elsewhere classified

3.2 Annual recruitment requirements (ARR) 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 Yorkshire and Humber's construction industry is illustrated in the table. The ARR of 2,220 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.

The largest ARR in Yorkshire and Humber is for labourers nec* (540), followed by floorers (340) and wood trades and interior fit-out (270). As a percentage of 2010 employment, floorers are most in demand with an ARR of 10%, followed by labourers nec* with 7%.

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.

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	90
Non-construction professional, technical, IT, and other office-based staff	70
Wood trades and interior fit-out	270
Bricklayers	130
Building envelope specialists	-
Painters and decorators	220
Plasterers and dry liners	-
Roofers	-
Floorers	340
Glaziers	-
Specialist building operatives nec*	-
Scaffolders	50
Plant operatives	<50
Plant mechanics/fitters	110
Steel erectors/structural	80
Labourers nec*	540
Electrical trades and installation	-
Plumbing and HVAC Trades	-
Logistics	120
Civil engineering operatives nec*	-
Non–construction operatives	-
Civil engineers	100
Other construction professionals and technical staff	80
Architects	-
Surveyors	-
Total (SIC 45)	**2,040**
Total (SIC 45 and 74.2)	**2,220**

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

* nec - not elsewhere classified

4 Comparisons across the UK

Growth of construction output is forecast across all of the regions and devolved nations between 2010 and 2014, although rates of increase will vary significantly. Yorkshire and Humber sits in the middle of the growth table with an expected annual average increase of 1.6%, broadly in line with the UK figure of 1.7%.

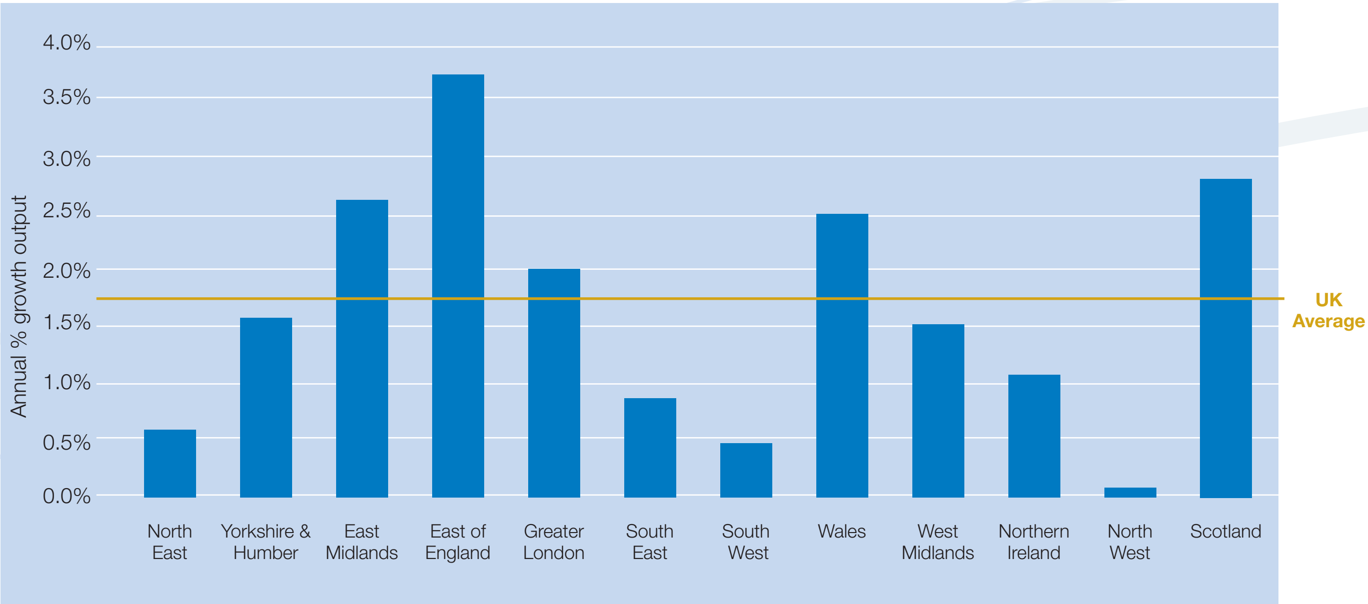
The infrastructure sector should be the best performing market in new work in the UK. Greater London's infrastructure output growth is predicted to be especially strong, driven by work on Crossrail, Thameslink, and the Thames Water programme. The East of England is also forecast to show double-digit growth rate as well. Infrastructure output growth in Yorkshire and Humber is expected to be significant, although at a slightly lower rate than either Greater London or the East of England, with work well underway on various parts of the A1 improvement programme.

The inevitable public expenditure cuts which are on the horizon will substantially affect the public non-housing sector, particularly programmes of work such as BSF. No region or devolved nation will be unaffected by prospective cuts and how badly is dependant on their exposure to such programmes relative to the overall size of their public non-housing market. The North East will be the worst affected, followed by the North West and Scotland. Yorkshire and Humber benefits quite strongly from the first four waves of the BSF programme, although unlike other English regions it has a larger private finance investment element than a conventionally publicly funded one. Thus the public non-housing sector in the region is not quite so exposed to cuts in the BSF programme as might initially appear, hence a more moderate rate of decline than the worst hit regions.

In the UK as a whole, the housing market is expected to begin recovering in earnest in 2010 as economic conditions improve and there is a more sustained recovery in demand. However, there are some regions and devolved nations where demographic factors are stronger, such as the East Midlands and the East of England, which are expected to experience high levels of household formation over the long term, and will thus see more robust growth. In Yorkshire and Humber, private housing output will see the strongest annual average growth in output of any of the new work sectors, partly as a result of the relatively low levels of household indebtedness in the region but also due to a higher than average rate of household formation.

Construction employment in Yorkshire and Humber is forecast to increase by 7,040 between 2010 and 2014, around the average across the regions and nations. The region's ARR is, however, one of the lowest at just 2,220, with only Northern Ireland having a lower ARR. This is not entirely unexpected, despite reasonably strong output growth forecast, given that the region has particularly low levels of inter-regional mobility, so the outward flows are relatively small.

Annual average output growth by region 2010 - 2014



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

Construction employment in Yorkshire and Humber is forecast to increase by

7,040 between 2010 and 2014

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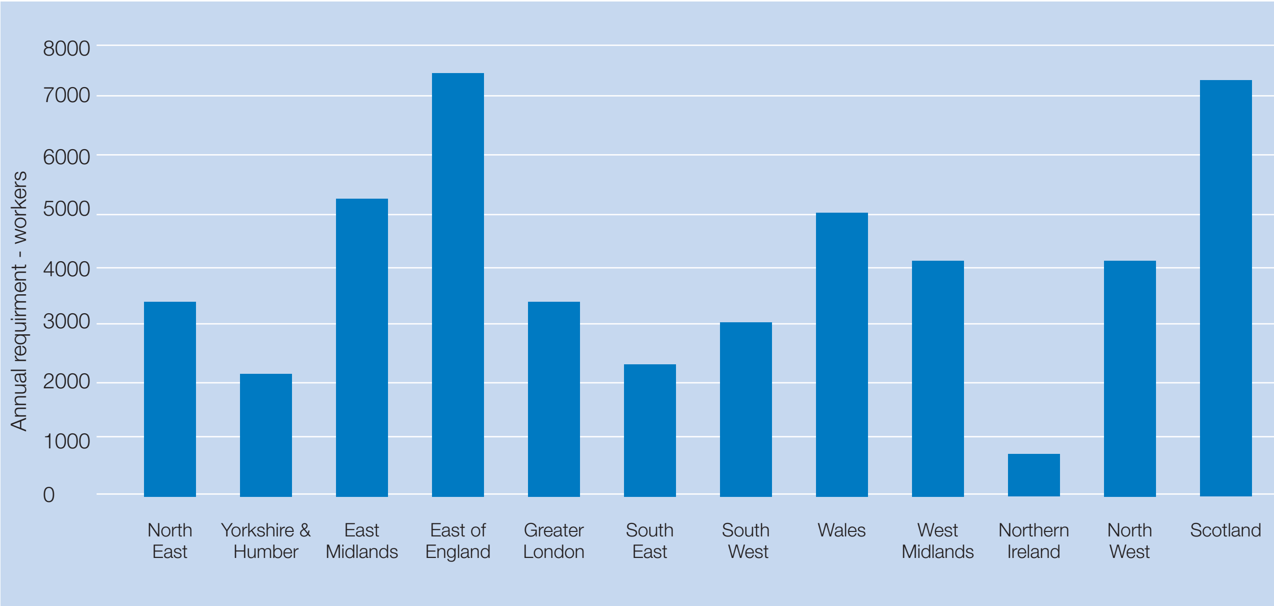
1 Summary and key findings
2 The outlook for construction in Yorkshire and Humber
3 Construction employment forecasts for Yorkshire and Humber
4 Comparisons across the UK

Annual recruitment requirement (ARR) by region 2010 - 2014



Source: CSN, Experian

Yorkshire and Humber sits in the middle of the growth table with an expected annual average increase of

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CMI-1293 (01/10)

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http://www.cskills.org/contact-us/offices.aspx

Cskills website
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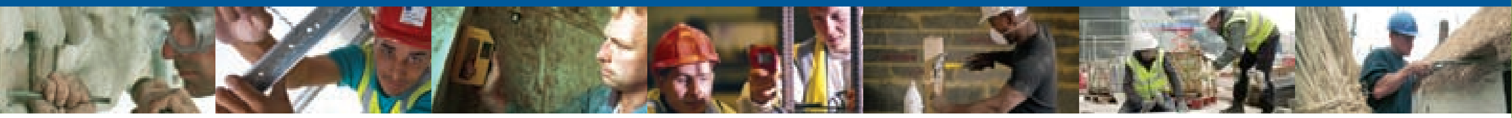

Alliance Sector Skills Councils

CITB-ConstructionSkills, CIC and CITB-ConstructionSkills Northern Ireland are working as ConstructionSkills, the Sector Skills Council for Construction. (CITB-ConstructionSkills registered charity number 264289.)