

# **GUIDELINES LAUNCHED TO ENSURE FUTURE SUCCESS OF UK ENGINEERING CONSTRUCTION INDUSTRY**

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**A new report published today outlines the practical steps the UK engineering construction industry must follow if it is to meet the growing demand for major infrastructure projects over the next decade.**

The Engineering Construction Forum was convened 18 months ago after the Gibson Review in 2009 found that, despite the industry having great opportunities, productivity generally lagged that in other developed countries and there was a real risk of a skills shortage. Boasting some of the industry's biggest names, the Engineering Construction Forum included major contractors, clients and trade unions.

Since then, the Forum has been investigating how the UK can build the infrastructure it will need, particularly in the specialised area of power generation, as it continues its transition to a low carbon economy.

With the level of investment in the future expected to reach £10s of billions, and workloads expected to increase significantly, the blueprint unveiled by the Forum gives its thoughts on how productivity and standards for the industry can be improved.

It makes specific recommendations on a variety of areas essential to the success of construction projects, including project planning, training and skills, industrial relations, implementation of work and best practice, and identifies the barriers to progress which must still be overcome.

The Forum's key recommendations and conclusions include:

- Calling on the Government, the biggest customer of the UK construction industry, to publish a ten-year strategic investment plan, as well as an annual review of future and current projects, to ensure better forward planning;
- Recommending that extra training be given to front-line supervisory staff. Although technical skills of the UK workforce are as good as, if not better than, those in other countries, concerns have been raised that the number and quality of supervisory staff is insufficient for the industry's needs going forward. To assist with this, as part of the project procurement process, all contractors should also provide evidence of their staffs' management skills to clients.
- Recommending that an industry-wide common training framework be introduced.
- Calling on the Government to change the way it routes public skills investment to employers. The efficiencies gained would reduce the funding gap by up to 50%.
- Recommending that the top ten areas where poor custom and practice are having the biggest impact be identified.

A number of training programmes have already been developed or strengthened – encouraged by the Forum – to make the engineering construction industry more attractive to new entrants. In order to help continue this work the Forum has recommended that overseas contractors be obliged to contribute financially to assist UK-based training schemes. This extra investment would help tackle the shortfall in skilled workers and put overseas contractors on an equal footing with their UK counterparts who have to pay a training levy.

Ian Marchant, chair of the Forum and Chief Executive of energy company SSE, said: “This Forum was an opportunity for the industry to begin a process of change from within that could be continued once our remit had ended.

“I believe we have achieved this. We have already introduced and implemented a number of measures, both one-off and ongoing, and have identified additional areas that require further work, outlining the ways in which this work can be taken forward.

“I hope that our work will help to change this industry for the better, so that it is fully able to meet the challenges it will face in the future.”

Mark Prisk, Minister of State for Business and Enterprise, said:

“I should like to congratulate the Forum on a report which contains a lot of sensible and practical measures to improve the industry’s performance.

I can see the importance of a pipeline to help the industry’s forward planning. In the Government’s National Infrastructure Plan, we set out a clear pipeline of over 500 infrastructure projects that will be built over the next decade and beyond. We have committed to updating the infrastructure pipeline on an annual basis. Furthermore we announced the formation of a new Cabinet Committee on infrastructure, chaired by the Chief Secretary to the Treasury. This committee will provide before the end of 2012 an update on further progress delivering the priority programmes and projects which include, for example, the new nuclear programme. Many of the recommendations of the Forum’s report reinforce themes from the Infrastructure Cost Review targeting greater visibility and certainty of future projects and enhanced early supplier engagement to drive improved performance in delivery.

We believe it is right to give employers more control of the skills system. The Employer Ownership pilot scheme, launched earlier this month, aims to put businesses in the driving seat by giving them real purchasing power in the skills market.”

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Forum membership: Alstom, Doosan Babcock Energy Ltd, EDF Energy, Engineering Construction Industry Association, Engineering Construction Industry Training Board, Fluor Corporation, GMB Union, Ineos Manufacturing Scotland Ltd, National Joint Council for the Engineering Construction Industry, RWEnpower, SSE and Unite the Union