**FPS GDI Column**

**Jooce Draft 1 – 29/03/17**

*Starts…*

***Importing Skills – A Post-Brexit Necessity***

Talk to anyone in the specialist contracting sector and they will tell you how significant and important non-UK employees are to its running. Firstly they serve as long-term direct employees, filling the UK skills gap of STEM-trained workers and secondly, they provide a mobile temporary workforce to resource the demand peaks of the market, often as short-term intra-company transfers. However, they also support the sector indirectly, bringing a valuable educational, technical and cultural diversity to specialist contractors, strengthening businesses, which goes far beyond simple numbers by accelerating change and bringing productivity improvements.

The cyclical nature of work in the specialist contractor sector is perhaps the biggest issue facing the sector. For some very specialist and in-demand techniques there is no continuity of work in any individual country and therefore cross-border mobility of employees and equipment is the only route to making these techniques available in domestic markets, as well as provide the need to perpetuate the various skill sets. It’s not all about importing skills either, as many developers and owners of some of these techniques, UK specialists are able to generate significant export benefits from such arrangements, also playing their small part towards balancing the trade deficit encouraged by consecutive governments.

Should the specialist contractor sector, either as a result of post-Brexit fallout or through the subsequent establishment of a non-conducive working environment, lose access to non-UK workers then there simply isn’t a pool of domestic skilled and semi-skilled workers sitting there waiting to take their place. In fact, given the present skills shortage and the lack of any coordinated strategy to develop new home-grown talent, the prospect of any change in skilled worker availability is as long as 8 years away. As a result, any rapid change in the availability of non-UK workers will profoundly damage the construction sector, directly by driving wages up, and indirectly through its impact on the affordability of infrastructure and construction projects.

The UK government should act now to address this issue and the Federation of Piling Specialists (FPS) is suggesting a number of actions, which incidentally also formed part of the FPS’s submission to the All Party Parliamentary Group for Excellence in the Built Environment’s (APPGEBE) evidence gathering into the issue of skills shortages in construction.

Specifically, the FPS is calling for European Union (EU) nationals employed in construction to be given immediate secure and permanent right to residence and work. The UK construction sector needs these people, and neither employers nor employees can afford a period of uncertainty or a sudden loss of capacity. In addition, the introduction of the Immigration Levy should be stopped, as it will directly increase payroll costs (particularly administration costs) without changing the fundamental drivers of UK indigenous construction employment. At the very least ring-fence the income derived from construction businesses to support construction-related skills training and other employment initiatives. In fact, all training and apprenticeships levies on construction and infrastructure businesses should be rational, ring-fenced and deployed for industry-specific training and development.

It would also be beneficial to secure reciprocal access to work arrangements for EU/UK construction professionals and skilled/semi-skilled operatives. Intra-company transfers are now an integral part of the business model of specialists and reciprocal access without introducing burdensome bureaucracy is essential.

Public sector procurement practices should also be improved to reward construction businesses that offer responsible training and employment practices. Direct employment and investment in long-term skills training are not valued in a way that makes a material difference to competition outcomes and this must change.

The government must work more closely with trade associations and industry bodies, such as Build UK and CIC, as this will improve the visibility, continuity and predictability of public sector infrastructure workload. At a more grass-roots level, STEM subjects should continue to be a priority, which will improve the employability of UK school leavers and long term start improving the supply of home-grown talent.

All suggestions aside, maybe the government considers that the establishment of an indigenous construction capability a strategic necessity and will want to head down this route? Though whilst this appears a great idea, it relies on government for work to overcome any lulls in the available work load, which has the potential to establish a lazy, inefficient and uncompetitive industry that needs government to survive. This is neither desirable nor a solution short- medium- or long term.

Time is also of the essence; uncertainty and indecision through the Brexit process has the potential to accelerate any natural exodus of skilled and semi-skilled EU labour brought about by Brexit itself and with the government placing much value on construction and infrastructure projects to smooth the UK’s EU exit, this would not be good news for UK plc!

Ends…

** Alasdair Henderson, Chair of the FPS**