



Shaping public
construction

SCF
**Market Intelligence
Review**
2018



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SCF captures market intelligence from key trade packages across SCF projects. On a quarterly basis, information gathered by the contractors through their trade supply chain provides a snap shot of changes year on year, with a forecast for the coming year. The data provides a high level view of the possible factors that may affect SCF client's projects going forward, and allow SCF clients to understand any changes from the previous year.

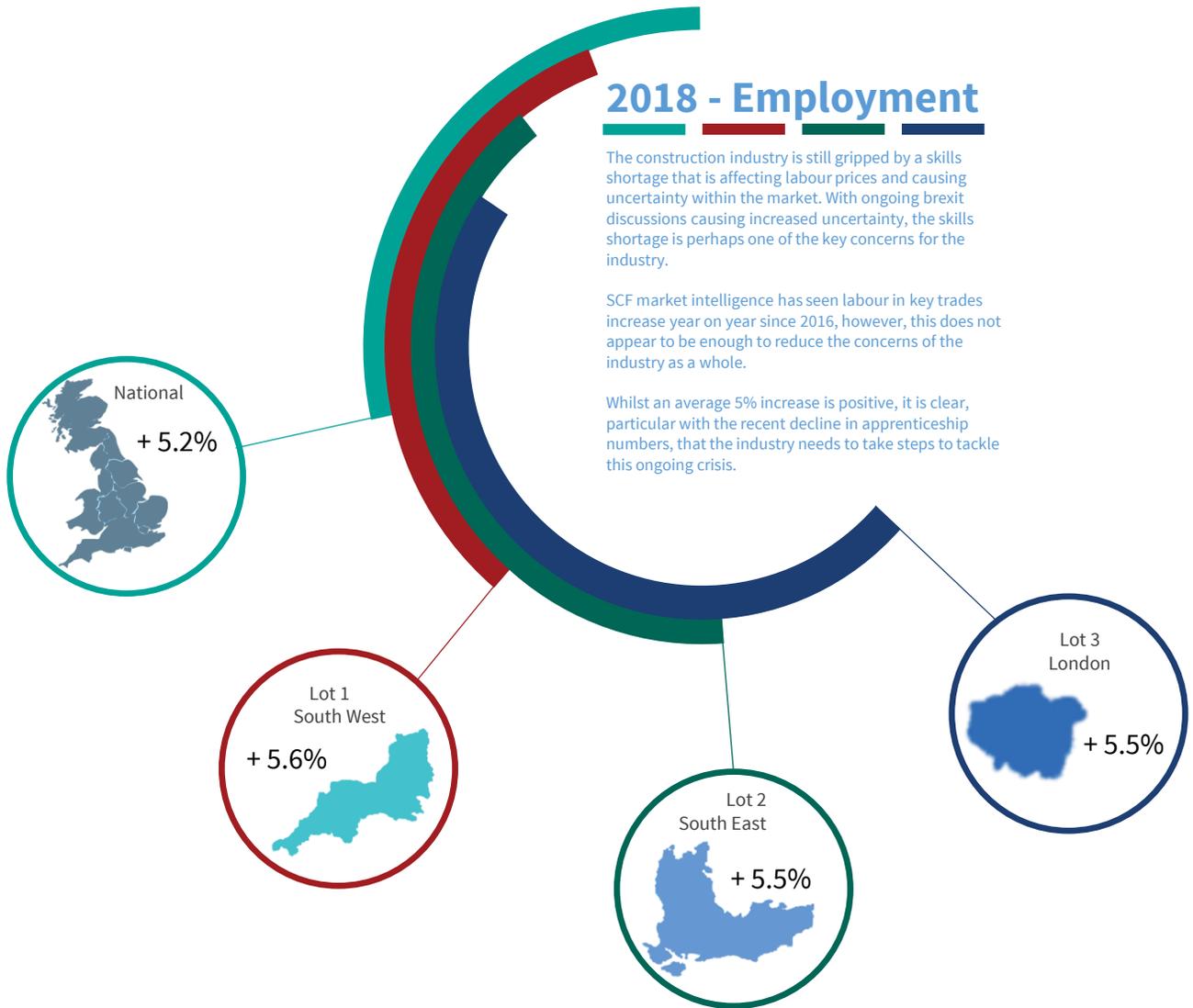
SCF provides a procurement vehicle for public sector clients across the South of England, with 11 national contractors, over 70 clients and over 130 live projects.

2018 - Employment

The construction industry is still gripped by a skills shortage that is affecting labour prices and causing uncertainty within the market. With ongoing brexit discussions causing increased uncertainty, the skills shortage is perhaps one of the key concerns for the industry.

SCF market intelligence has seen labour in key trades increase year on year since 2016, however, this does not appear to be enough to reduce the concerns of the industry as a whole.

Whilst an average 5% increase is positive, it is clear, particular with the recent decline in apprenticeship numbers, that the industry needs to take steps to tackle this ongoing crisis.



SCF is committed to playing its part in helping to combat the skills shortage in the construction industry. On every project, SCF mandates contractors deliver an employment and skills package for clients, delivering against CITB targets for training, apprenticeship and engagement with the local community. In line with this, the Framework ensures that each contractor is engaging with trade and management apprentices whilst delivering work through the SCF. SCF contractors have given opportunities to nearly 300 new apprentices over the 4 year Framework. Of these, 101 have now completed their apprenticeships and are working in the industry. The drop out rate for SCF is 30% and therefore is equal to the industry average.

Apprenticeships and training are key to tackling the current skills shortage, however investment is needed to encourage young people, from an early age, to be interested in careers in construction. In this regard SCF has been supporting the adopt a school and inspiring future talent initiatives across the south. These initiatives aim to partner schools with construction companies, asking those companies to engage with pupils and help develop an interest in the industry. This has been incredibly successful with over 50 schools partnered in the South West region, and plans for another 80 school in the South east over the next 2 years.

For more information on these initiatives please follow the link below. and to learn more about the SCF's social legacy policy, please visit our website.

Dry Lining

Dry lining saw a **4.25%** increase in prices across the south, comfortably below the average trade increase of **7%**. However, dry lining is comfortably above the **2%** general inflation rate, possibly showing a steady increase in demand for the trade.

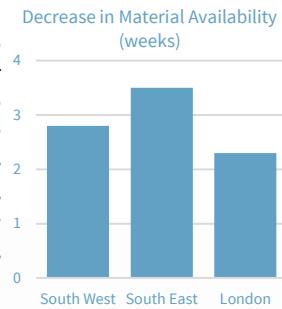
Curtain Walling



Costs for Curtain Walling packages saw consistent increases when compared to 2017, averaging at around **6.5%**. This may be attributed to the weakening of the £ as much of the raw materials in this trade are sourced from outside the UK.

Windows

The difficulties with the availability of materials for window packages became more apparent in 2018. An average decrease in availability across the south of **3 weeks** indicates the need for ordering window packages further ahead than was previously required.

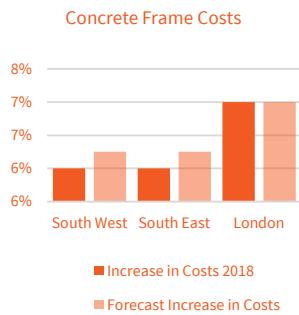


Steel

The price of steel increased by **11%** in 2018. This may partly be due to the world's leading steel supplier, China, slowing down production. Additionally, the general increase in demand across the economy may have driven up prices.

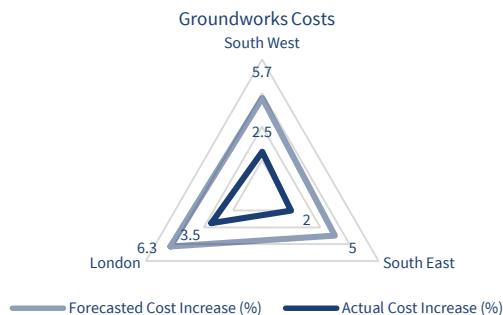
Concrete Frames

The cost of concrete frames have shown an increase of between **6%** and **7%** across the south. In 2019, the rate of price increase is forecasted to remain almost unchanged. London showed the highest increase in concrete costs



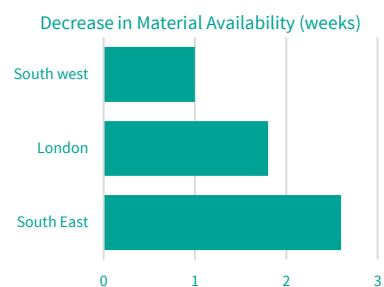
Groundworks

The average cost increase across the south in 2018 was **2.7%**, and the forecasted figure for 2019 is **5.7%**. This shows that the growth in prices is expected to accelerate, despite lead times predicted to stay the same.



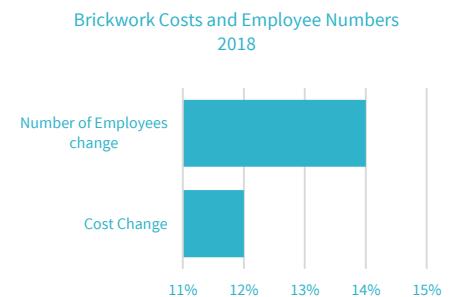
Carpentry & Joinery

The availability of carpentry and joinery materials has decreased by **2 weeks** on average in 2018. This has resulted in an additional 2 weeks notice being required when ordering materials.



Brickwork

The cost of brickwork and number of employees have both gone up by **10%** in London and **14%** and **17%** respectively in the south west. This may indicate a significant increase in demand across the south, to a lesser extent in London.



Tower Cranes

The number of employees working for tower crane suppliers increased by **7.3%** in 2018. This could indicate a significant increase in the demand for high rise structures.

M & E

The cost of mechanical and electrical packages increased by **12%** which exceeds the forecasted figure of **9%**. This could be due to the increasing level of skills shortage in the industry and the demand for M & E on projects such as HS2.





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Keith Heard

Keith is a Chartered Civil Engineer with experience in all aspects of the procurement, design, delivery and commissioning of building and civil engineering projects, gained through a career working for contractors, project managers and client bodies.



James Wright

Joining the SCF team as a Framework Manager, James holds a Masters Degree in Quantity Surveying, having first obtained a Law Degree, both from Kingston University London.

For more information on SCF please visit our website
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