

The Rt Hon David Davis MP  
Secretary of State for Exiting the European Union  
Department for Exiting the European Union  
9 Downing Street  
London  
SW1A 2AS

2<sup>nd</sup> August 2017

Dear Secretary of State,

We are writing to you collectively, as the heads of leading bodies in the construction sector, to highlight the importance of skills needs in our industry if we are to deliver the Government's objectives to build the homes and infrastructure that our country requires.

Approximately 300,000 businesses operate within the construction industry – a sector that accounts for 7% of GDP. The industry employs three million people which is the equivalent of 10% of total UK employment. It is a key driver of economic growth across the UK and the sole delivery mechanism for the Government's plans to boost the supply of new homes and invest in Britain's infrastructure. Therefore the construction skills requirements of our sector must be taken into account as you and your officials consider the shape of a post-Brexit immigration system.

In recent years, our industry has experienced serious skills shortages. These shortages would have been significantly worse had it not been for the recruitment of migrant workers, many of whom are EU citizens. Indeed, EU citizens make up 8% of construction workers across the UK and in London this is as high as 27%.

We recognise that in the medium-to-longer term, we must set out a clear strategy for how we will recruit and train more UK workers in order to minimise future skills shortages and with a view to reducing our reliance on migrant labour. However, such a strategy will take time to develop and implement. Given the extent of current skills gaps in our industry and record high employment levels, it will not be possible to recruit the people our sector needs without ongoing access to EU workers. If the UK's post-Brexit immigration system fails to recognise and take account of this, then the strength of our economy and the delivery of the Government's ambitious targets for new housing and infrastructure will be undermined.

To minimise instability and allow time for the right long term arrangements to be established, we urge you to ensure that transitional arrangements are put in place such that the industry can continue to access a sufficient number of EU workers. Furthermore, the system which replaces any transitional arrangements needs to ensure that an agreed ongoing requirement for EU migration to plug skills shortages in the construction industry will be met. Considering the nature of the construction industry, one in which the majority of employment is through SMEs – whether as part of the supply chain or as independent smaller contractors – in order to fulfil this function this system must avoid being costly and bureaucratic to the extent that it becomes effectively impossible for the majority of our industry to take on migrant workers where there is a need to do so.

We fully recognise that further conversations between this industry and the Government will be needed as to the industry's strategy for boosting its recruitment and training of UK workers, the extent of the industry's ongoing need for migrant workers and the details of how this can be effectively accommodated. However, it is important to underline at this early stage the level of concern there is in the industry about this issue and the potential negative

impact on future growth and delivery if we get this wrong. We hope therefore that you already have the construction sector's concerns in mind during your considerations.

The leading bodies in the construction industry will be holding a roundtable discussion in the Home Room, House of Lords, from 3.30 to 5pm on Wednesday 11<sup>th</sup> October to discuss these issues further and we would be delighted if you could join us to say a few words. We would be grateful if your office could respond to Sarah McMonagle, the Director of External Affairs at the Federation of Master Builders, via [sarah@fmb.org.uk](mailto:sarah@fmb.org.uk) or 020 7025 2901.

Yours sincerely,

Nelson Ogunshakin OBE  
Chief Executive  
**Association for Consultancy and Engineering**

Suzannah Nichol MBE  
Chief Executive  
**Build UK**

Alasdair Reisner  
Chief Executive  
**Civil Engineering Contractors Association**

Graham Watts OBE  
Chief Executive  
**Construction Industry Council**

Diana Montgomery  
Chief Executive  
**Construction Products Association**

Stewart Baseley  
Executive Chairman  
**Home Builders Federation**

Brian Berry  
Chief Executive  
**Federation of Master Builders**

Richard Beresford  
Chief Executive  
**National Federation of Builders**

Sarah McCann-Bartlett  
Director General  
**The British Constructional Steelwork Association Limited**

cc: The Rt Hon Phil Hammond MP, Chancellor of the Exchequer  
The Rt Hon Anne Milton MP, Minister of State for Apprenticeships and Skills  
Mr Alok Sharma MP, Minister of State for Housing and Planning