



The Impact of the Recession on Construction Professionals

A view from the front line

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1 Introduction

1.1 ConstructionSkills was established in September 2003, bringing together the Construction Industry Training Board (CITB), CITB Northern Ireland and the Construction Industry Council (CIC).

1.2 CIC was set up in 1988 and is the representative forum for the professional bodies, research organisations and specialist business associations in the construction industry. It has a collective membership of 500,000 individual professionals and 25,000 firms of construction consultants. Within ConstructionSkills CIC represents the views of those operating in professional, managerial and technical positions within the industry.

1.3 The aim of the current research was to provide authoritative and comprehensive analysis on:

- The impact of the recession on:
 - the current and expected future size and nature of the workforce in the professional services sector;
 - recruitment of graduates;
 - training activity;
 - skill requirements;
- The measures that firms in the sector have taken in response to the recession
- Employer views on the availability and quality of business support and advice
- The extent of any emerging new skill requirements

Survey method

1.4 The research involved two elements:

- An initial qualitative phase, involving 30 teledepths with firms within the professional services sector. Discussions lasted around 45 minutes on average, and took place from 19th August to 18th September 2009.
- A quantitative survey of 301 professional services firms employing 5 or more staff across the UK. This took place from 7th – 19th October 2009. The questionnaire used is appended (Annex A) – interviews took on average around 15 minutes to complete.

1.5 All interviews were conducted by specialist IFF business-to-business interviewers, working from IFF's offices in London.

1.6 Sample for the survey came from ConstructionSkills' Employer Panel, plus additional sample purchased from Experian's Business Database.

1.7 For the quantitative phase, quotas were set to ensure a reasonable spread across the industry by region and size.

1.8 Survey data is reported unweighted.

A note on statistical reliability

1.9 *It is worth noting that statistical reliability on a sample size of 301 (in the worst case scenario from a reliability point of view of a survey result of 50%) is +/- 6% (i.e. we are 95% confident that the true result, if views had been obtained from all employers rather than a sample, lies within 6% of the survey finding). The statistical reliability is a lot lower where we report results among sub-groups of the sample (for example by region, size of employer or sub-sector, or where we look at results among those that have reduced staff numbers or taken particular action). In these cases results should be treated with some caution, and may best be regarded as indicative only.*

2 Management Summary

2.1 This report presents findings of research involving 30 in-depth interviews with employers and a quantitative survey of 301 telephone interviews with professional services firms, the latter conducted in the first half of October 2009.

Business challenges and the recession

2.2 The economic recession was clearly very much in employers' minds: when asked what the key challenges were facing their company, 55% spontaneously mentioned the need to increase workload, 18% mentioned specifically dealing with the recession, and 18% were suffering cash flow difficulties. Just 1% mentioned as their main challenge having more work than they could handle, and only 8% had no key business challenges.

2.3 For 54% of companies their fee income in the last 12 months was lower than the previous 12 months. This compares with 11% saying it had increased. Those in building services engineering appear to have fared better than average (24% reported increased fee income, though still many more (41%) had experienced a decrease).

Responses to the economic downturn

2.4 Only 7% of firms reported taking no particular steps to meet the challenges presented by the recession. The most common actions taken have been:

- Spending more time bidding for work (72% of all firms)
- Cutting back on the planned recruitment of graduates or newly qualified staff (46%, though 8% have increased this presumably to replace more expensive, experienced staff)
- Making redundancies (46%)
- Cutting back on the planned recruitment of support staff (37%)
- Reduced working hours (27%)
- Cutting back on the use of freelance or agency staff (26%, though 10% had actually increased this)
- Recruiting new staff with different specialisms to enable the firm to work in new sectors (16%).

2.5 **Redundancies:** 46% of employers had made redundancies because of the recession. These have affected a wide range of occupational groups, most often administrative positions (35% of employers making

redundancies had made such staff redundant), followed by technicians (15%), architects (14%), project managers (9%) and mechanical, civil and other engineers (8%, 6% and 18% respectively).

2.6 **The total number of staff employed:** survey results suggest that the total number of staff employed across the professional services sector has decreased by 6% compared with 12 months prior to the interview.

2.7 **Planned recruitment of graduates and newly qualified staff:** 46% of firms had cut back on planned recruitment of graduates and newly qualified staff because of the recession: the actual number they had taken on (an average of approximately 1.5 per firm) was around a sixth of the number they had planned. Another measure of the effect of the recession is in the number of graduates and newly qualified staff employed by firms. Results indicate that across the professional services industry covered by this survey (which excluded micro firms with fewer than 5 staff) graduates and newly qualified staff comprise just over 4% of the total workforce, half the number they employed 12 months ago.

2.8 **Over-supply of graduates:** given the fall in the level of recruitment of graduates and newly qualified staff it is not surprising that 67% of professional services firms felt that the supply of graduates currently exceeds the demand. Architects were the discipline most often mentioned by employers as suffering from excess supply.

2.9 **Training:** the economic downturn has had an impact on the training undertaken by professional services firms, though this is perhaps less severe than might have been anticipated. While over a third of firms (35%) had reduced their training spend as a response to the recession, for example by increasing the amount of in-house training, the proportion that had reduced their training activity (25%) was only a little higher than the proportion that had increased training as a response to the recession (22%). Similarly it could be viewed quite positively that 'only' 16% of professional services firms have reduced next year's training budget or planned training activity.

2.10 **Skills in the recession:** 20% of firms felt that the recession has had an impact on the skills that they need from their current staff or potential recruits. The most common skills becoming more important to employers in the recession are business development skills (16%), specialist job-specific skills (16%), the ability to multi-skill (15%), engineering-related skills (13%), and up-grading existing skills (13%).

Business Advice and Support

2.11 30% of firms had sought advice, guidance and support since the start of the recession. The most common organisations consulted were accountants (7% of all firms), professional institutions (7%), Business link (7%), and independent consultants (6%). Overall 1% of professional service firms had sought advice or support from either the CIC or ConstructionSkills.

2.12 Reassuringly, the vast majority have been able to find the advice and support that they wanted – just 7% of firms indicated that there were types of business advice and support that they found hard to access, though this rises to 13% among firms with 5-9 staff. Where employers had struggled to find support or advice this was most often for financial support (3% of all professional services firms), followed by IT, training, business development, and marketing (each mentioned by 1% of employers).

2.13 Overall three quarters of professional services firms rate the availability and quality of business advice and guidance for companies in the professional services sector as either satisfactory (30%), good (36%) or very good (8%), compared against 7% that rate it as poor.

Membership of professional bodies

2.14 81% of professional services firms were members of a professional or industry body. 13% of firms said the recession has led them to re-consider company or employee membership of these organisations. This varied relatively little by size of firm, indicating the extent to which the recession is causing firms of all sizes to think closely about their operating costs.

Keeping up to date with industry news

2.15 A variety of means are used to keep up to date with industry news, most commonly:

- Industry press and magazines (mentioned by 33%)
- Websites (15%)
- Newsletters / emails (14%)
- Word of mouth and informal means (13%)
- Meetings, seminars, conferences (8%)

The next 12 months and the end of the recession

2.16 32% of employers felt that their fee income would increase over the next 12 months, compared with 17% expecting this to fall. The largest proportion expected it to remain at about the same level (44%), though not surprisingly some did not feel confident to answer (8%). On balance therefore the findings are reasonably positive

with approximately twice as many expecting growth as expecting reduced fee income.

2.17 In total, 25% of firms felt it was likely that they would have to make redundancies in the next 12 months, including 3% that have already planned the redundancies. It is moderately encouraging that more think it quite likely (17%) than very likely (5%) suggesting that for many the decision will depend on their performance in the coming months.

2.18 40% of employers feel that the worst of the recession is over (interviews took place in early October 2009). A number of actions were quite often felt to be needed to speed up the recovery in the sector, including banks starting to lend again (mentioned by 19% of all firms spontaneously), more funding and investment (12%), and then responses focused on increased government support including more government spending in the public sector (11%) or on new projects (8%), bringing government projects forward (7%) and increased government spending on infrastructure (6%).

3 The profile of those interviewed (quantitative survey)

3.1 In this section we briefly discuss the profile of the 301 employers interviewed as part of the quantitative survey. This is background information to show both the number of interviews on which results among sub-groups presented later in the report are based, and that the sample is broadly representative of the professional services sector.

Size

3.2 A criterion for inclusion in the study was that the firms employed at least five staff across the UK. With this note in mind, a slight majority of the employers interviewed operated from a single site (60%) and employed between 5 and 24 staff across the UK (55%). Around one in five of the companies interviewed employed 100 or more staff UK-wide. Predictably single site organisations tended to employ far fewer staff: 77% employed fewer than 25 staff across the UK.

Sample profile: size and whether single site organisation or not		
	Number of interviews	Proportion
Number of staff employed UK wide		
5-9	75	25%
10-24	90	30%
25-49	48	16%
50-99	24	8%
100+	64	21%
Whether single site or not		
Single site organisation	180	60%
Multi site	121	40%

3.3 Most multi-site organisations had 2-4 sites in total (60%).

Sub-sector

3.4 Professional services firms were spread across a range of activities, most commonly architectural activities (15%), building services engineering (15%), civil and structural engineering (15%) and engineering related consultancy (13%). Having been read the list of potential areas of activity 12% described themselves as being multi-disciplinary. The same proportion felt they fell outside the categories listed. Example activities for this group included: ecological services and technical / geo-environmental services.

Sample profile: sector of activity		
	Number of interviews	Proportion
Architecture	46	15%
Building services engineering	46	15%
Civil and structural engineering	45	15%
Engineering related consultancy	39	13%
Multi-disciplinary	37	12%
Quantity, land or building surveying	28	9%
Project management	15	5%
Landscape design	6	2%
Town / urban planning	4	1%
Other professional services relating to the construction industry	35	12%

3.5 Architects practices tended to be smaller than average: half employed 5-9 staff across the UK. The largest firms interviewed (those with 50 or more staff) were more likely than average to be operating in civil and structural engineering (25%) or to see themselves as multi-disciplinary (22%).

Type of work

3.6 Employers tend to work across a range of sectors, especially industrial and commercial (these were the main area of activity for 45% of firms).

Sample profile: Type of work undertake (prompted)		
	Type of work undertake	Main type of work
Base: All (301)	%	%
Industrial	71%	21%
Commercial (e.g. retail or offices)	70%	24%
Public (non-residential e.g. health and education)	62%	17%
Private housing	47%	14%
Public housing	43%	9%
Infrastructure	41%	14%
Other	4%	2%

The client base

3.7 65% of professional services firms work mainly for private clients. The remainder split evenly between those who work mainly for commercial clients (10%), the government or public sector (11%) or as a sub-consultant for construction or consultancy firms (13%).

3.8 The smallest firms (with 5-9 staff across the UK) were more likely than average to work mainly for private clients (72%) and rarely had the government or public sector as their main client. Predictably the largest firms (with 50 or more staff across the UK) were far more likely than average to have the government or the public sector as their main client (18%), but still the majority worked mainly for private clients (59%).

Region

3.9 The interviewing sought to achieve a broad spread by region and country to ensure that all parts of the UK were covered (rather than be strictly representative in distributing interviews to region in exact proportion to the region's share of the overall UK professional services sector). As shown on the following table, base sizes are too low to present results within this report reliably by individual region / country.

Sample profile: region / country		
	Number of interviews	Proportion
South East	35	12%
London	35	12%
East	30	10%
South West	30	10%
North East	26	9%
East Midlands	27	9%
North West	25	8%
Yorkshire & Humberside	25	8%
Scotland	22	7%
Northern Ireland	17	6%
West Midlands	16	5%
Wales	13	4%

4 The impact of the economic recession and employer responses

4.1 In this chapter we explore the main impacts of the recession, and the steps that employers have taken in response. We first examine results on a number of spontaneous questions covering key business challenges, the main impact the recession has had, and the responses to the recession taken by employers. We then look at results to the steps taken by employers on a prompted basis where we asked employers if they had made a number of specific responses, such as reducing staff numbers.

Key current business challenges

4.2 The economic recession was clearly very much at the forefront of employers' minds when interviewed for the study in October 2009. When asked what the key challenges were facing their company, over half mentioned the need to increase workload (55%, rising to 88% among the 17 respondents based in Northern Ireland), 18% mentioned specifically dealing with the recession, and the same proportion were suffering cash flow difficulties. Just 1% mentioned their main challenge as having more work than they can handle, and only 8% had no key business challenges when interviewed early to mid October 2009. The results are presented in the following table. For simplicity only responses given by at least 5% of respondents are shown.

Main business challenges (spontaneous)	
Base: all (301)	%
Need to increase workload / get more work in	55
Dealing with the economic downturn / recession	18
Cashflow / getting paid	18
Finding suitably skilled / qualified staff	7
Need to increase profitability	6
No particular challenges	8

Main impacts of the recession (spontaneous)

4.3 Results on the main impact of the recession are very similar to those just presented on the main business challenges being faced, clear evidence that the recession is dominating the business environment. Overall 54% say the main impact has been less work and low demand, 17% have or are experiencing cash flow difficulties, and 10% report the main impact as being either postponed or cancelled projects, or having to make staff redundant. Impacts mentioned by at least 5% of the sample are

listed on the following table. As a note, this was asked as a spontaneous question - the proportion indicating once prompted that they have had to lay off staff or reduce training because of the recession is higher than shown in the following table. This is discussed later in the chapter (section 4.14).

Main impact of the economic downturn on the business (spontaneous)	
Base: all (301)	%
Less work / low demand	54
Cash flow difficulties	17
Projects delayed or cancelled	10
Made redundancies / reduced staff numbers	10
Loss of turnover / profits	6
Increased competition	5
None / no particular challenges	16
Other impacts mentioned included salary cuts, cutting back on training and instigating a recruitment freeze (each were mentioned by 1%)	

4.4 The downturn has impacted all sizes and sub-sectors of companies within professional services, though the smallest firms with 5 to 9 staff were more likely than average to say the impact has been low demand (64% vs. 51% of those with 50 or more staff), while those with 25 or more staff were significantly more likely to describe the main impact as reducing staff numbers (15% vs. 5% among those with 5 to 24 staff). Those whose main client is the government or public sector were twice as likely as other employers to report projects being delayed or cancelled (18% vs. 9%).

4.5 Comments from the qualitative stage of the fieldwork regarding the main impacts of the economic downturn which illustrate these themes included the following;

"Basically keeping the work flowing in and keeping clients happy. None of them seem to want to move forward. Some of the big jobs like shopping centres have not moved now for 3 or 4 months. It is on hold."

"Also getting the money that's owed is a challenge. The client is taking longer to pay, or they are saying that they can't pay, they don't have it... We have tried to be more accommodating and help them along as some

are still finding it tricky, but they will come through in the end and we will get the money in the end.”

“I’ve had to put the staff on four days a week at the moment because of reduced work, and reduced fees. At the moment we don’t see any chink of light.”

“The biggest problem we have is the banks and their lack of funding on projects which has just kind of killed half of our profits. We’ve got a whole track of schemes that are waiting to go, but the clients can’t get funding from banks.”

“In a nutshell we’ve had to diversify from our core business. Although we’ve still got existing clients which we are obliged to complete works for. They’ve dried up. They’re looking at their coffers. So we’ve got to keep ourselves afloat and we’ve branched out into other markets.”

Main steps taken to meet the challenges presented by the economic downturn (spontaneous)	
Base: all (301)	%
Cut costs / overheads	27
Made redundancies	23
Sought work in alternative / different sectors	19
Increased advertising / marketing	15
Reduced working hours / encouraged staff to work part time or take unpaid leave	7
Spent more time looking for work	6
Increased efficiency / productivity	5
Increased the amount of training given	5
None / no particular steps taken	18
Other steps taken included reducing their fees or rates (3%), cutting back on planned recruitment (2%) and reducing training (2%).	

4.6 Again indicative of the extent to which professional services employers are being affected by the downturn, the vast majority (82%) had taken some steps to meet the challenges it has presented them with. Results are shown on the following table, which lists responses mentioned by at least 5% of employers. It should be noted that this was a spontaneous question, and the proportion that have taken these steps when asked as a prompted question is higher (see section 4.14).

4.7 The main responses to the recession have been cutting costs and / or making redundancies (each mentioned by around a quarter), with some specifically mentioning reducing working hours or encouraging unpaid leave (7%). Others have put more effort into sales and marketing, for example by looking for work in sectors they do not traditionally work in (19%) or by increasing their advertising or marketing spend (15%). Comments from the qualitative research included;

4.8 London employers and those with 50 or more staff employed across the UK were particularly likely to mention making redundancies (40% and 33% respectively).

4.9 When asked specifically whether their fee income had increased, decreased or stayed the same compared with the previous 12 months, just over half indicated this had fallen (54%) compared with 11% that had seen fee income increase. Results are summarised on the following chart, which shows the proportion reporting an increase or decrease. For simplicity, those saying fee income had remained largely unchanged (28%) or were either unsure or refused (7%) have not been shown. Low base sizes for Wales and Northern Ireland should be noted.

4.10 A fall in fee income has particularly affected smaller employers, and appears to have particularly affected those in Northern Ireland and Wales, though low base sizes mean results should be treated with caution. By sub-sector, building services engineering appears to have fared better than average: 24% report increased fee income in the last 12 months compared with the previous 12 months, though it was more common for them to report that income had decreased (41%).

4.11 Those saying fee income had decreased and who were able to give a figure for the extent to which it had fallen in the last 12 months compared with the previous 12 months (a base of 138 respondents) typically cited falls of 10-19% (26%), 20-29% (27%) or 30-39% (17%). On average the decrease in fee income was 26%.

4.12 As we have seen fewer reported an increase in fee income (11% - a base of 34 respondents). On average these respondents reported an increase of 25%.

4.13 The following example from the qualitative research illustrates the impact of the recession on fee income;

“Fees are reduced by 30% due to competition and low volume and value of new work. If they want us to do it they will tell us to reduce the fee. Last week there was one where the quote was £6k, they said if you can do it for £2,500 then you’ve got it. We accepted it because at least it is something coming in. We have to accept what the client says. The problem is there are freelancers who do not have the overheads who can afford to go in at a lower price.”

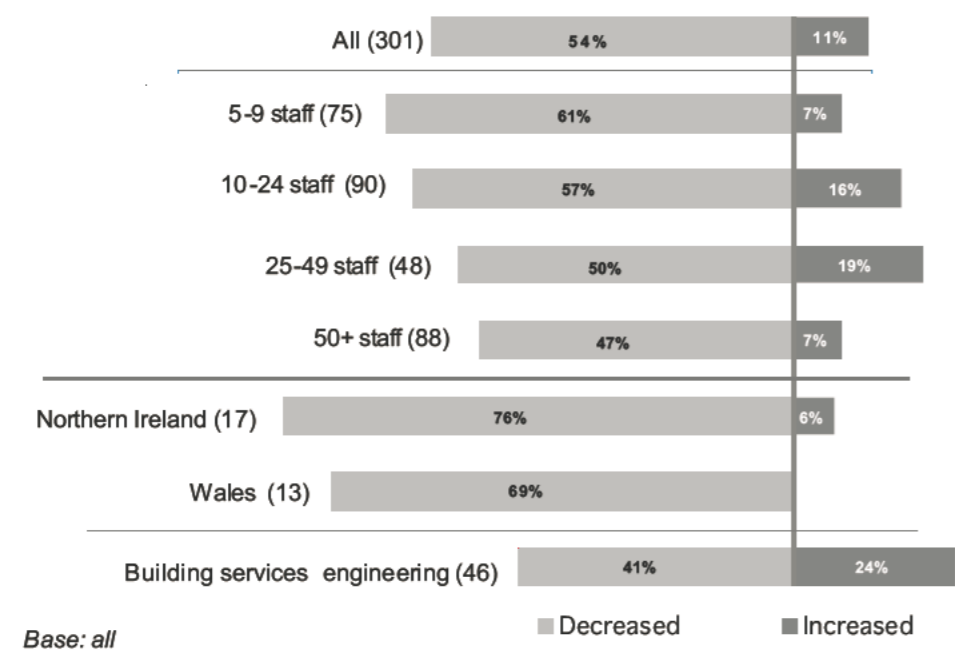
Responses to the recession / downturn (prompted)

4.14 Following spontaneous questions, employers were asked prompted questions about their responses to the economic downturn. Once prompted, only 7% of firms reported taking no particular steps to meet the challenges presented by the recession. The most common response was spending more time bidding for work or writing proposals (72%). Following this, nearly half professional services firms had cut back on the planned recruitment of graduates or newly qualified staff (46%) or had made redundancies (46%). As one mentioned at the qualitative phase “I think that it is inappropriate at the moment to take on new graduates when potentially there may be another round of redundancies.”

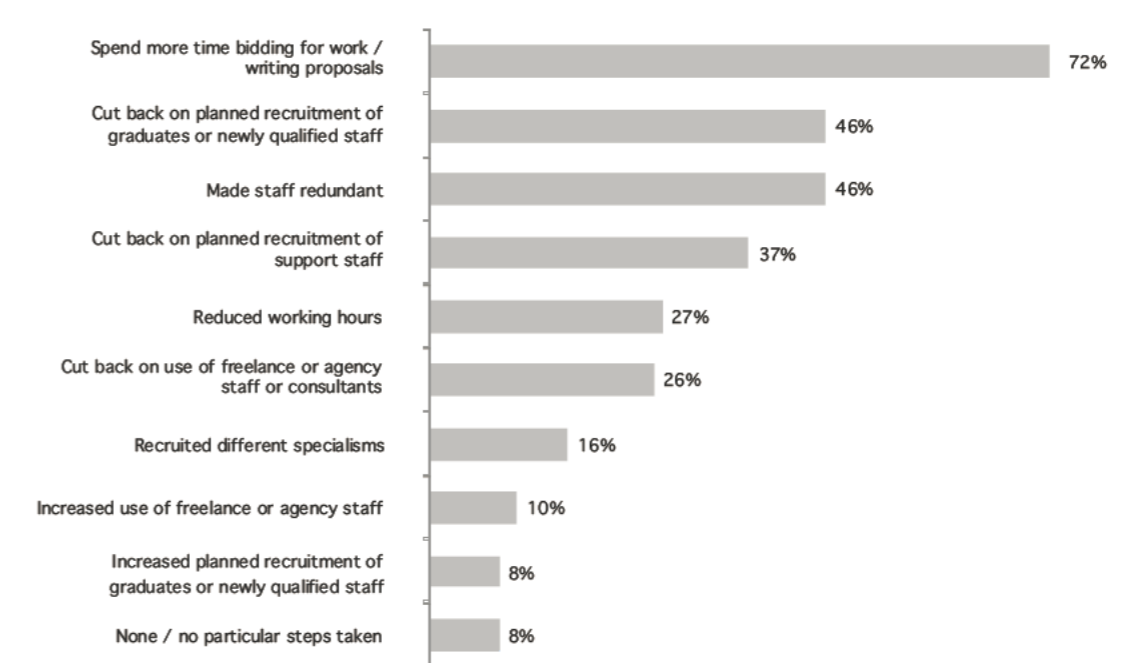
4.15 Nearly two-fifths of employers had cut back on the planned recruitment of support staff, whilst around a quarter had reduced working hours or cut back on the use of freelance or agency staff.

4.16 10% of firms had increased their use of freelance or agency staff and 8% had increased their planned recruitment of graduates or newly qualified staff.

Fee income in the last 12 months compared with the previous 12 months



Responses to the economic downturn (prompted)



Base: All respondents (301)

4.17 There appear to be some differences by size of company, sub sector and region in how companies have responded to the economic downturn:

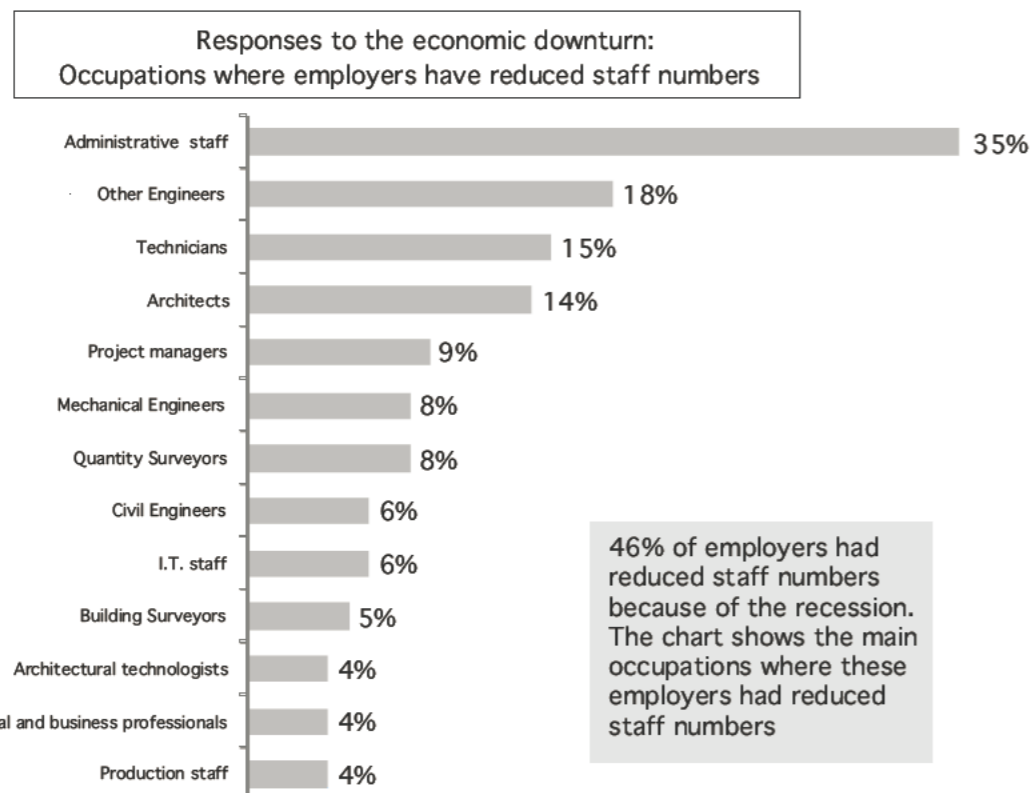
- Larger firms with over 50 staff were significantly more likely than those with 5-9 staff to have made staff redundant (67% vs. 32%), to have cut back on planned recruitment of support staff (44% vs. 25%), to have cut back on use of freelance or agency staff (36% vs. 20% 5-9 staff) or to have recruited new specialisms to enable the firm to work in new sectors (17% vs. 7%).
- By country / region, employers in Northern Ireland were the most likely to have spent more time bidding for work (94% in Northern Ireland compared with 72% UK-wide). Firms in the South East were the least to have taken any steps in response to the downturn (17% compared to 7% across all firms).
- Building services engineering firms were the most likely to have made no specific response to the economic downturn (17% compared to average of 7% across all firms), confirming that this appears to be the sub-sector least affected by the downturn. Civil and structural engineering firms were consistently more likely than

average to have taken each of the steps: 64% had cut back on recruiting new graduates, 58% had reduced the use of support staff, 56% had made redundancies, 42% had cut back on the use of freelance staff and 40% had reduced working hours.

a) Staff numbers, recruitment and redundancies

4.18 Results suggest that the total number of staff employed across the professional services sector has decreased 6% over the past 12 months. The fall is most marked for the smallest firms currently employing 5 to 9 staff across the UK (21%).

4.19 46% of the companies interviewed had responded to the economic downturn by reducing staff numbers. These redundancies have affected a wide range of occupational groups, as shown in the following chart, which lists occupations mentioned by at least 4% of these employers. Employers that had reduced staff numbers were most likely to have made redundancies in administrative positions, followed by technicians, architects, project managers and mechanical, civil and other engineers.



Base: All those who have reduced staff numbers in response to the recession (139)

4.20 16% of professional services firms had responded by recruiting staff with different specialisms to enable the firm to work in new sectors. Among these 47 respondents, a wide range of occupations had been taken on, most commonly engineers (29%), environmental and renewable energy specialists (11%), architects, technicians, and HR, legal and business professionals (each 6%). Other occupations mentioned by just one or two employers included town planners, health and safety specialists, project managers, CAD draftsmen and Construction Design Management (CDM) co-ordinators.

4.21 Looking specifically at graduates and newly qualified staff, the number of such employees taken on by firms has dropped considerably as a result of the recession, and 46% of companies had cut back on the planned recruitment of graduates or newly qualified staff. Among the 138 firms interviewed that had taken this step, the actual number they had taken on (an average of approximately 1.5 per firm) represented just 17% of the number they had planned to take on (an average of just over 9 per firm).

4.22 These figures refer to the recruitment of graduates and newly qualified staff. Another measure of the effect of the recession in this area is in the number of graduates and newly qualified staff currently employed by firms. Results indicate that across the professional services industry covered by this survey (which excluded micro firms with fewer than 5 staff) graduates and newly qualified staff make up just over 4% of the total workforce, half the number (49%) they employed 12 months ago.

4.23 Given the fall in the level of recruitment of graduates and newly qualified staff it is not surprising that as many as 67% of professional services firms felt that the supply of graduates currently exceeds the demand. Architectural firms were the most likely to agree that this was the case (85%), and architects were the occupation most often mentioned where the supply of graduates was felt to exceed demand. Results are summarised in the following table, based first on those thinking supply exceeds demand, and then on all employers.

Main disciplines where supply of graduates exceeds demand		
Base:	Those thinking supply exceed demand (202)	All (301)
	%	%
Architects	21	14
Civil engineers	14	10
Across the board	11	7
Quantity Surveyors	10	7
Structural Engineers	8	6

Mechanical Engineers	7	5
Electrical Engineers	7	5
Engineers (unspecified)	7	5
Environmental occupations	6	4
Building Surveyors	4	3
Don't know	7	15

4.24 These findings were backed up from the qualitative analysis.

"The supply of graduates is currently exceeding demand. I would say probably architecture first, then engineering, project management, and quantity surveying."

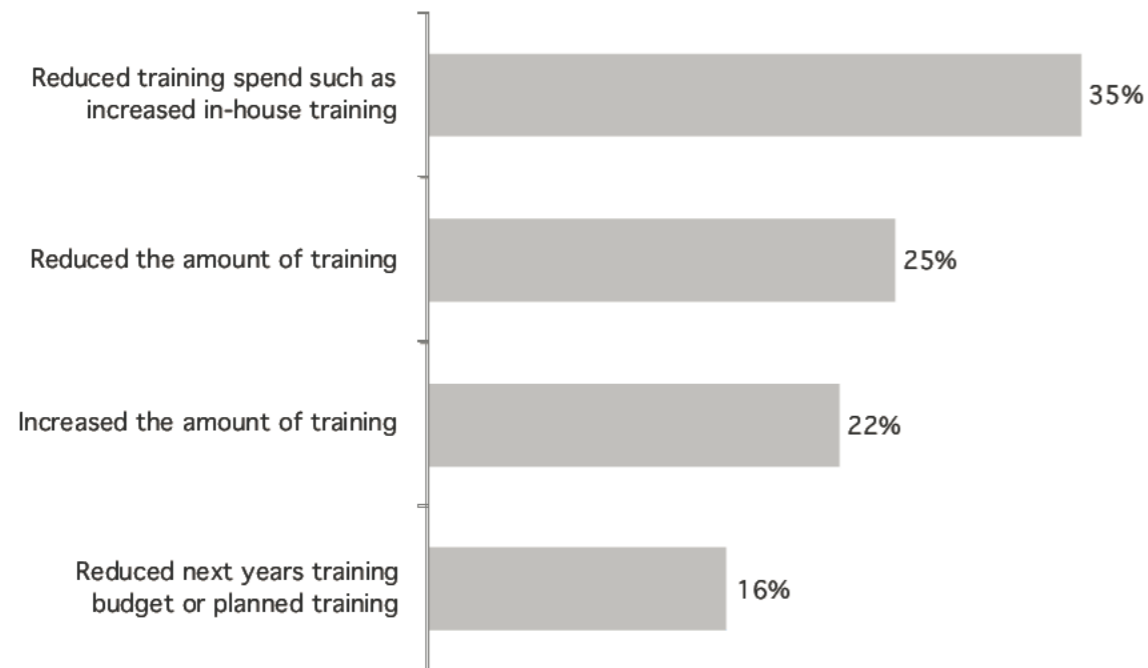
4.25 The qualitative phase also indicated that a number of employers felt the over-supply of graduates was mostly due to Higher Education being driven by the number of applications to particular disciplines, rather than by the need for graduates of such subjects.

"It's a business, it's bums on seats gets them money. If they can take on 60 graduates they will, I don't think the end concern is whether there are jobs available. They would still take 60 even if they knew there were only 20 jobs available, because they get the money... They could drop the numbers and make it a lot harder. They could take on fewer but specialise more on them, so you would be getting quality rather than quantity at the end."

b) Impact on training

4.26 The economic downturn has had an impact on the training undertaken by professional services firms, though this is perhaps less severe than might have been anticipated. While 35% of firms had reduced their training spend for example by increasing the amount of in-house training, the proportion that had reduced the amount of training that they undertake (25%) was only a little higher than the proportion that had increased the amount of training as a response to the recession (22%). Similarly it could be viewed quite positively that 'only' 16% of professional services firms have reduced next year's training budget or planned training activity.

Responses to economic downturn - Impact on training (prompted)

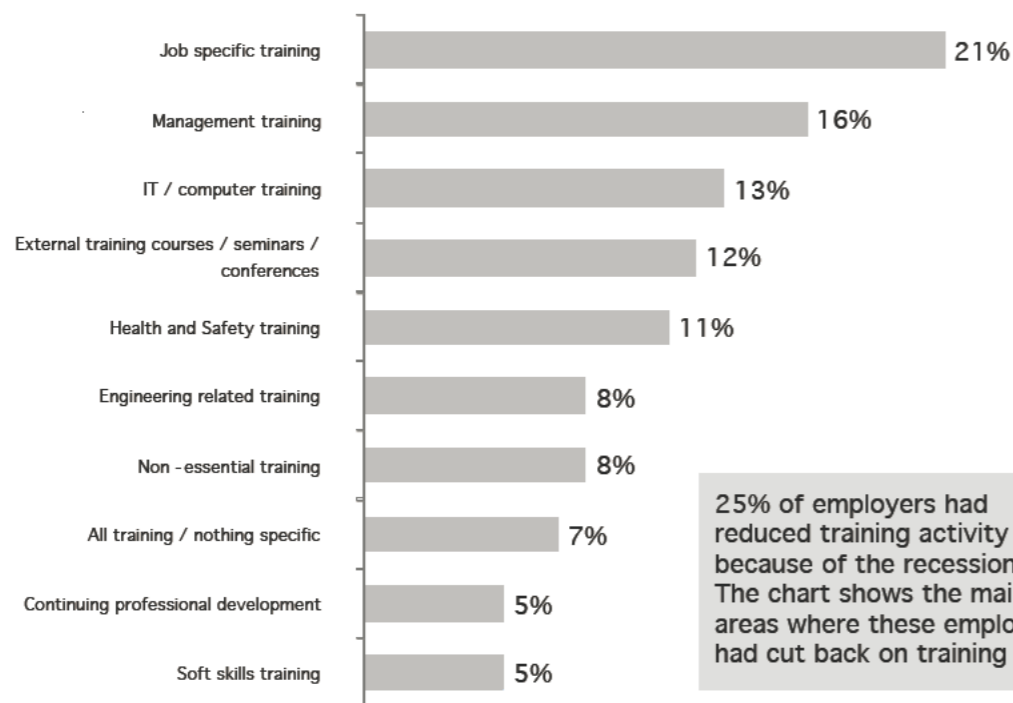


Base: All respondents (301)

4.27 Among the 25% of firms that had reduced the amount of training that they undertake because of the recession, the most common areas that had been cut back were job specific training (21%), management training (16%), IT / computer training (13%), external

courses / seminars / conferences (12%), and (perhaps of some concern) health and safety training (11% - equivalent to 3% of all employers surveyed).

Responses to economic downturn – Areas where reduced training activity



25% of employers had reduced training activity because of the recession. The chart shows the main areas where these employers had cut back on training

Base: All those who have reduced amount of training (76)

4.28 Larger firms with more than 50 staff were particularly likely to have cut back on their management training (35%). The smallest firms (with 5-9 staff) were the most likely to have reduced their job-specific training (42%).

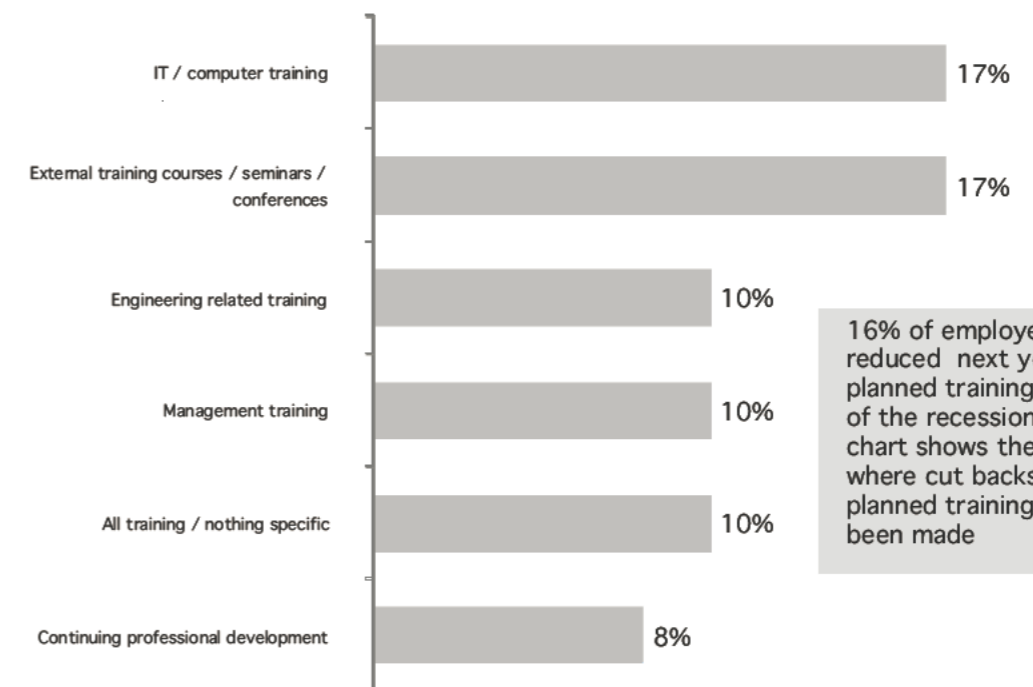
4.29 The following comments from the qualitative stage of the research summarise the impact of the recession on training undertaken by a project management firm with 25-49 staff members;

“We no longer go on seminars, we cut that budget down. We sent people on Microsoft training sessions, and also health and safety or equal opportunities training. It was a day out of the office but we have cut this for all staff. We keep videos for training and if someone who works here has done something interesting then they would tell the other people. We are trying to keep it to that sort of thing as it is cheaper. We have cut the budget by 50%. Some health and safety legislation things we have to go to, but the more peripheral things that might not add value to the business are being cut. This is for all staff.”

“We have cut back on external courses definitely. We’ve tried to do things in-house and transfer knowledge around the business; have seminars conducted by our existing staff rather than using external trainers.”

4.30 16% of firms had reduced their planned training activity for next year. The most common areas these companies planned to cut back on were IT / computer training and external training courses such as seminars and conferences (each 17%), followed by engineering-related or management training (each 10%). The main responses mentioned by the 48 respondents that have made cuts to next year’s training budget are shown on the following chart.

Responses to economic downturn
Main areas where next year’s planned training has been cut



16% of employers had reduced next year’s planned training because of the recession. The chart shows the areas where cut backs to planned training have been made

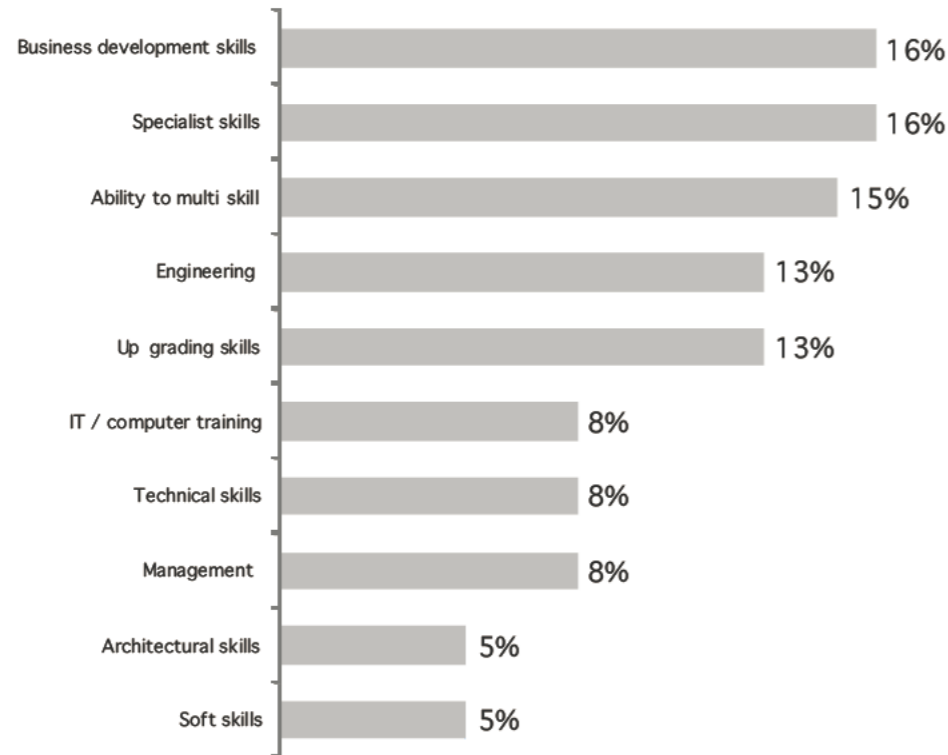
Base: All those who have reduced next year’s planned training (48)

c) impact on skill needs

4.31 20% of firms felt that the recession has had an impact on the skills that they need from their current staff or potential recruits. This differed little by size of firm, but changing skill needs were more often reported by multi-disciplinary companies (35%) and project management firms (40%, though on a relatively low base of 15 respondents).

4.32 The skills becoming more important to employers in the recession are most often business development skills (16%), specialist job-specific skills (16%), the ability to multi-skill (15%), engineering-related skills (13%), and up-grading existing skills (13%).

Skills of increasing importance due to economic downturn (spontaneous)



Base: All those who had impact of recession on skills needed or wanted (61)

4.33 The skills of increasing importance differed somewhat by size of firm, and among those identifying changing skill needs as a result of the recession:

- Firms with 5-9 staff were particularly likely to mention the need for improved specialist job-specific skills (29%),

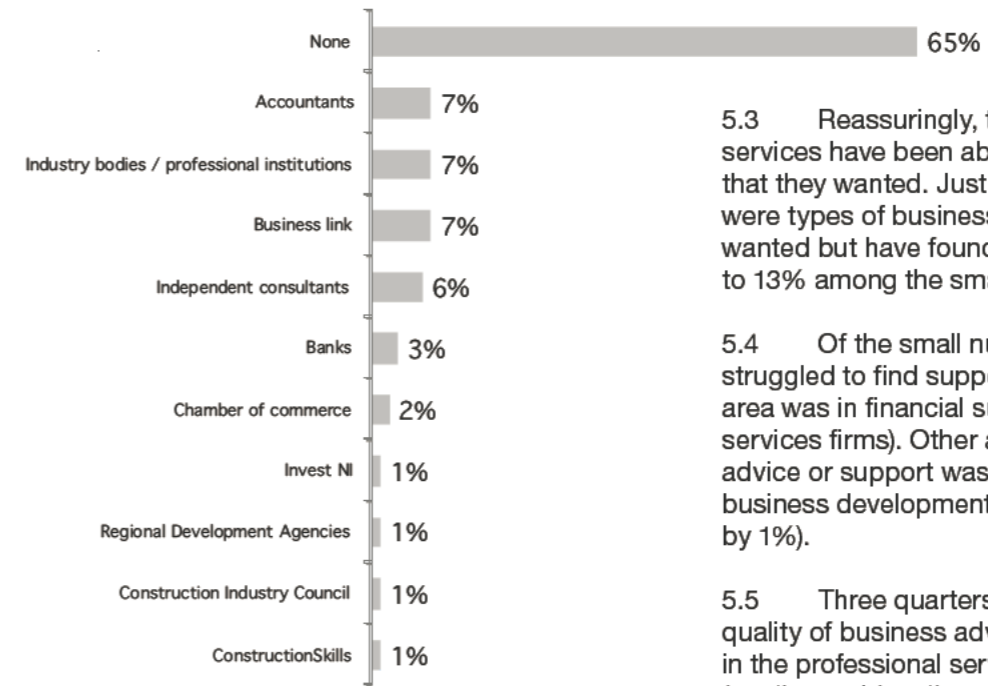
- Those with 10-24 staff place particular emphasis on better business development, sales and marketing skills (30%)
- Those with 50 or more staff were more likely than average to need improved business development (24%), multi-skilling (24%) and management skills (19%).

5 Business Advice and Support

5.1 A number of survey questions covered the availability and quality of business advice and support. Overall 30% of firms had sought advice, guidance and support since the start of the recession. This was higher among firms with between 10 and 49 staff (34%) - in comparison 25% of those with 5 to 10 staff and 23% of those with 100 or more staff had sought advice and guidance.

5.2 The most common organisations from which advice had been sought since the start of the recession were accountants (7% of all firms), professional institutions (7%), Business link (7%), and independent consultants (6%). Overall 1% of professional service firms had sought advice or support from either the CIC or ConstructionSkills.

Organisations sought for advice, guidance or support to assist with business performance (spontaneous)



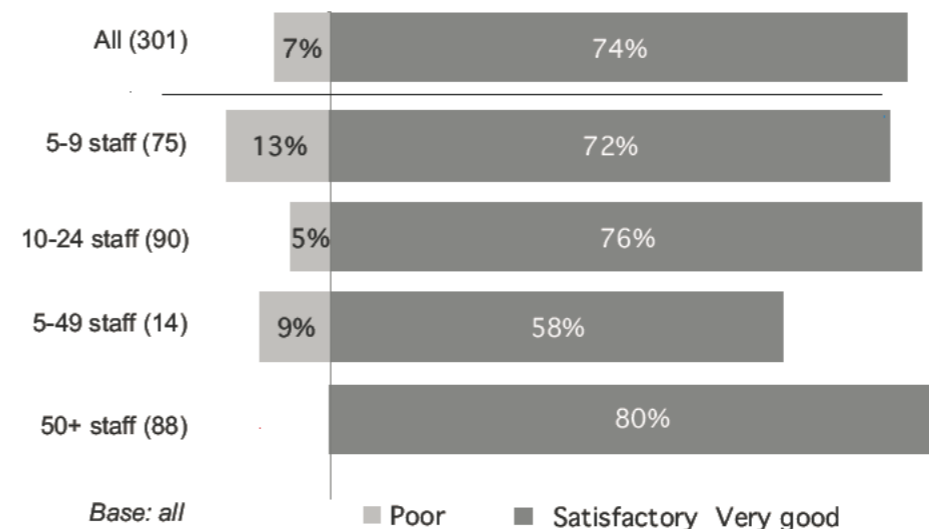
Base: All respondents (301)

5.3 Reassuringly, the vast majority of professional services have been able to find the advice and support that they wanted. Just 7% of firms indicated that there were types of business advice and support that they wanted but have found hard to access, though this rises to 13% among the smallest firms with 5-9 staff.

5.4 Of the small number of respondents (22) that had struggled to find support or advice the most common area was in financial support (3% of all professional services firms). Other areas mentioned where suitable advice or support was hard to find were for IT, training, business development, and marketing (each mentioned by 1%).

5.5 Three quarters of firms rated the availability and quality of business advice and guidance for companies in the professional services sector as either satisfactory (30%), good (36%) or very good (8%). This compares with 7% rating it as poor. Quite a large proportion was unsure (20%) - for simplicity these have not been shown on the following chart.

Rating of availability and quality of business advice and guidance



Base: all

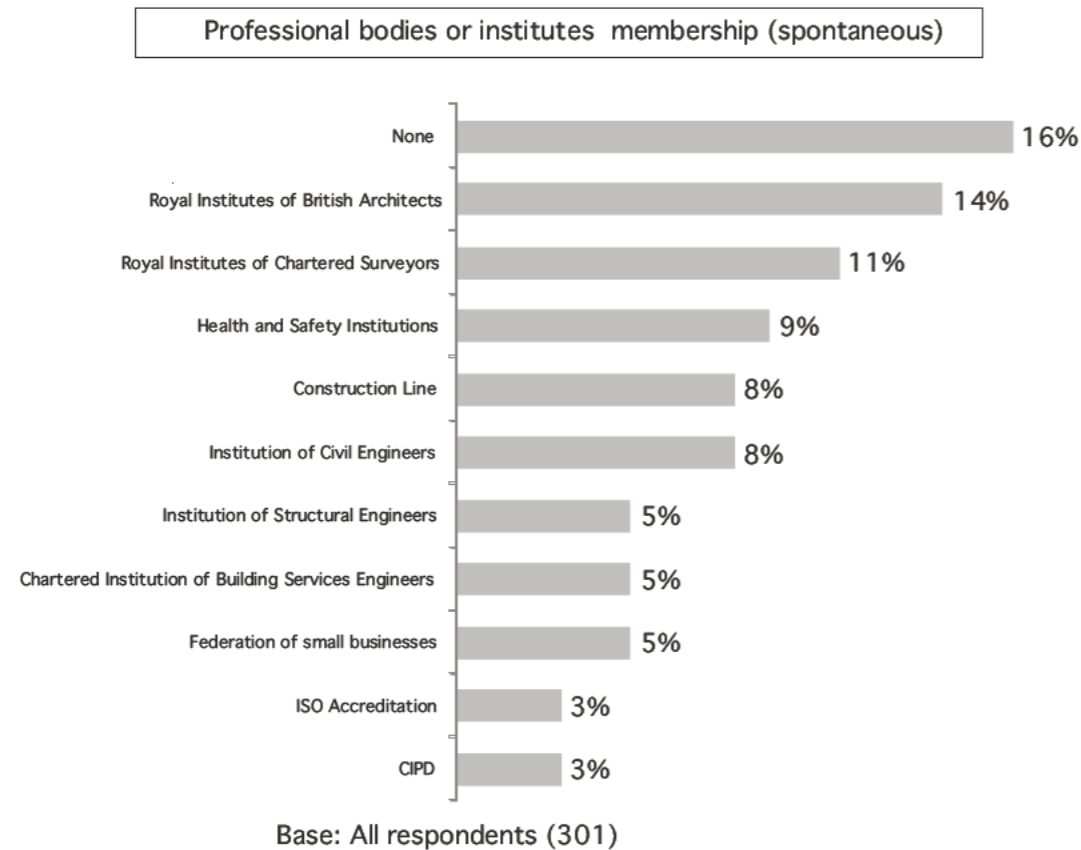
■ Poor ■ Satisfactory ■ Very good

5.6 There was some variation by size of firm, with the largest companies more satisfied than the smallest firms. 13% of firms with 5-9 staff thought the business support available for the industry is poor - none of the companies with 50 or more staff felt this to be the case.

5.7 Firms rating the availability and quality of business advice and guidance as poor (20 respondents, a low base so caution is needed) most often wanted improvements in regard to advice on financial help (8 respondents), advice and support to be more specific and tailored (5 respondents) and improved availability of advice about business issues such as marketing (4 respondents).

6 Membership of professional or industry bodies, and keeping up to date with industry news

6.1 81% of professional services firms were members of a professional or industry body (16% said they were not members, and 3% were unsure). The main institutes and bodies mentioned are listed in the following chart.



6.2 Predictably membership of certain professional bodies was more common amongst specific sub-sectors: 83% of architectural practices were members of the Royal Institute of British Architects (RIBA), 68% of quantity / land surveying firms were members of the Royal Institute of Chartered Surveyors, and 22% of civil and structural engineering firms were members of each of the Institution of Civil Engineers and the Institution of Structural Engineers.

6.3 Overall 13% of firms said the recession has led them to re-consider company membership of professional or industry bodies or supporting employees to be members of these organisations. This varied relatively little by size of firm, indicating the extent to which the recession is causing firms of all sizes to think closely about their operating costs.

6.4 When firms were asked to specify which organisations if any they felt it was crucial for their business or for their staff to be members of, the order of the organisations listed closely matches those they are members of (presented on the previous chart), and the proportion mentioning each was a few percentage points lower than the membership. Hence the most commonly mentioned organisations which firms believe they need to be members of are RIBA (mentioned by 11%), RICS (9%), Institution of Civil Engineers (6%) and the Institution of Structural Engineers (5%), Construction Line (4%) and the Chartered Institution of Building Services Engineers (4%).

6.5 Overall 21% of firms said there were no institutes or professional bodies it was crucial to be a member of, and in addition 8% were unsure. The general conclusion is that most employers that are members of professional bodies and institutes feel it is crucial that they remain members.

6.6 A variety of reasons were given as to why membership is deemed so important, but most employers concentrate on the fact that it provides credibility (30% of those thinking membership crucial), the fact that it is compulsory (20%), it demonstrating competence (15%) or it provides information and keeps them in touch with what is happening in the industry (12%).

Keeping up to date with industry news

6.7 A variety of means (in addition to membership of professional bodies or institutes as just discussed) are used to keep up to date with industry news. The main media by which employers keep abreast of developments are:

- Industry press and magazines (mentioned by 33%)
- Websites (15%)
- Newsletters / emails (14%)
- Word of mouth and informal means (13%)
- Meetings, seminars, conferences (8%)
- National and local press (5%)
- Other means (20%)

17% replied don't know implying they may feel they do relatively little to keep up to date.

6.8 For industry press and magazines a wide range of publications were mentioned including with the following (each mentioned by 4% - 7% of all respondents): Architects Journal, Construction News, Building, Building Design, and publications produced by the Institution of Civil Engineers and the Institution of Structural Engineers.

6.9 Overall 15% of respondents indicated that they used websites to keep up to date with industry news, of which the most frequently mentioned were RIBA's and the Health and Safety Executive's (each the main source of industry news for 2% of respondents). A wide range of other specific websites was mentioned such as Construction News, Royal Institute of Chartered Surveyors (RICS), and Architects Journal.

6.10 The preferred method of keeping up to date with industry news varied with size of firm. Significantly more firms with 25-49 staff used national or local press (13% compared with 1% of the smallest firms 5-9 staff, and

2% of those with 50 or more staff), and were significantly less likely to use websites (4%). The smallest firms were unlikely to rely on conferences or seminars to keep up to date with industry news (1% compared with 8% across all firms), and were more likely to use magazines or industry press as their preferred media (41% compared with 33% across all firms).

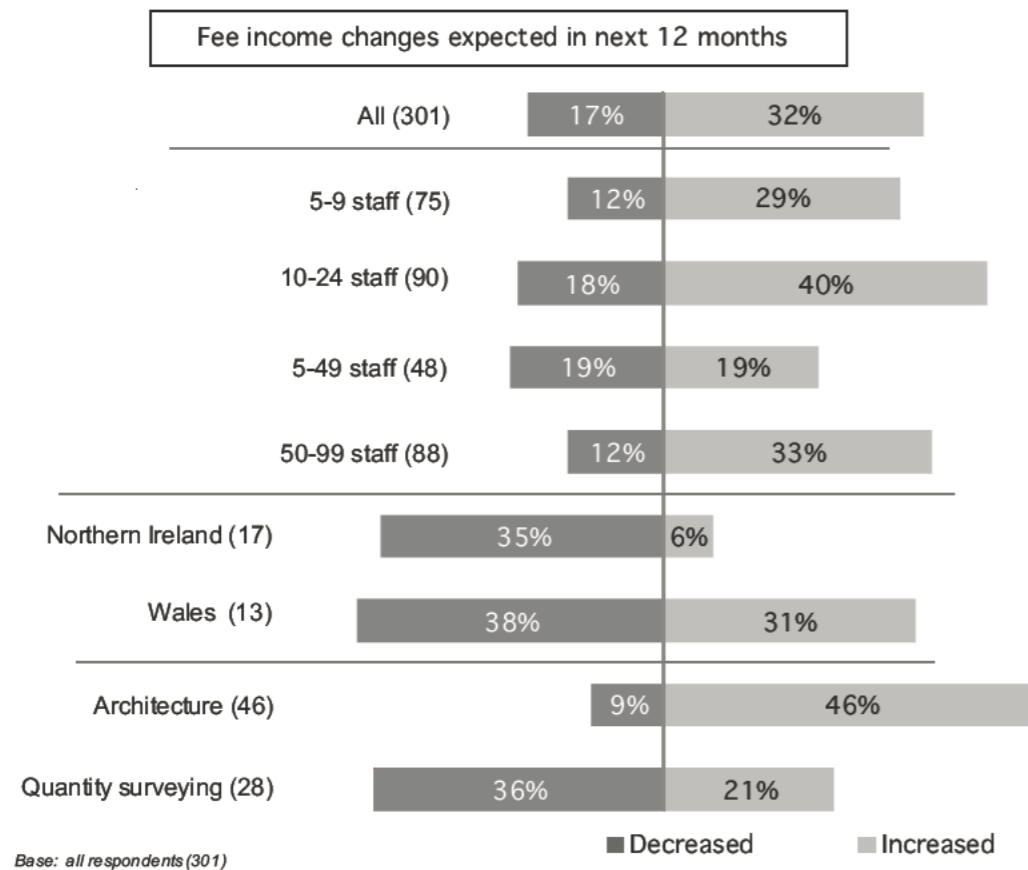
7 The next 12 months and the end of the recession

7.1 This final chapter of the report looks at how firms in the professional services sector expect the industry to recover in the next 12 months, and how soon the eventual upturn in the economy may take place.

7.2 As discussed earlier in the report, 54% of firms have seen a fall in their fee income over the last 12 months. Employers were asked how they expected their fee income to change in the next 12 months: 32% felt their fee income would increase compared with 17% expecting this to fall. The largest proportion expected it to remain at about the same level (44%) – not surprisingly some did not feel confident to answer (8%). On balance therefore the findings are reasonably positive with approximately twice as many expecting growth as expecting reduced fee income.

7.3 Firms with 10-24 staff were the most likely to expect an increase (40%), whilst firms with 25-49 staff were the least likely to expect an increase in fee income (19%) and the most likely to expect a decrease (19%).

7.4 Employers in Northern Ireland and Wales seem more pessimistic than average (though low base sizes should be noted, 17 and 13 interviews respectively): in both countries just over a third expect a decrease in fee income over the next 12 months. Few professional services firms based in Northern Ireland expect any increases in fee income (6%).



7.5 Firms from different sub-sectors also had varying forecasts for the next 12 months with architectural firms more likely than average to expect an increase in fee income (46%), and quantity / land surveying firms more pessimistic than average.

7.6 Predictably there was a correlation between performance over the last 12 months and expected performance for the coming year. Those whose fee income had increased over the last 12 months were more likely than average to anticipate increases over the next 12 months (50%), while those that had seen falls in fee income were less optimistic about the coming year, though still more expected increases in their fee income (31%) than expected it to fall (23%).

7.7 Combining results for past and expected fee income:

- 5% of all firms had experienced increased fee income in the last 12 months and expected it to increase in the next 12 months
- 12% of firms had experienced falls in fee income and expected these to continue
- 17% of firms described their fee income as static in the last 12 months and expected it to stay at about the same level over the next 12 months.

7.8 Overall 25% of professional services firms felt it was likely that they would have to make redundancies in the next 12 months, which includes 3% that have already planned the redundancies. It is moderately encouraging

that more think it quite likely (17%) than very likely (5%) suggesting that for many firms the decision will depend on their performance in the coming months. Larger companies were the most likely to anticipate the need to reduce staff numbers (30% of those with over 50 staff were expecting to make redundancies in the next 12 months).

7.9 Results suggest that redundancies are most likely to affect administrative staff followed by architects, civil engineers, and other engineers.

Future skills needs

7.10 35% of professional services firms felt, independent of the recession, that there were certain skills they expected to become more important over the next 2-3 years. These are listed on the following table.

Main skills expected to become more important in the next 2-3 years		
Base:	Those anticipating increased importance of some skills (104)	All (301)
	%	%
Specialist job-specific skills	35	12
Environment / sustainability	21	7
Management skills	13	4
IT skills	12	4
Sales / marketing / business acumen	12	4
Engineering-related	9	3
Legislation awareness	5	2
Health and safety	3	1
Other	11	4
Don't know	2	1

7.11 Among employers anticipating changing skill needs, environmental and sustainability skills were mentioned by a fifth, and these were seen as particularly important for architects and technical staff. At the qualitative phase one employer explained the need as follows:

"More and more of our clients are sharing more awareness of environmental change, and we would comply with their demands. We have to be part of their supply chain so we have to comply with their specifications. We would train our men on site in environmental awareness."

The end of the recession

7.12 40% of employers felt that the worst of the recession was over (interviews took place in early October 2009). Firms with 25-49 staff (29%), those based in Northern Ireland (24%) and those operating in building services engineering (33%) were less likely than average to feel that the worst of the recession was over.

7.13 The majority of firms interviewed for the qualitative phase were confident that they would survive the recession;

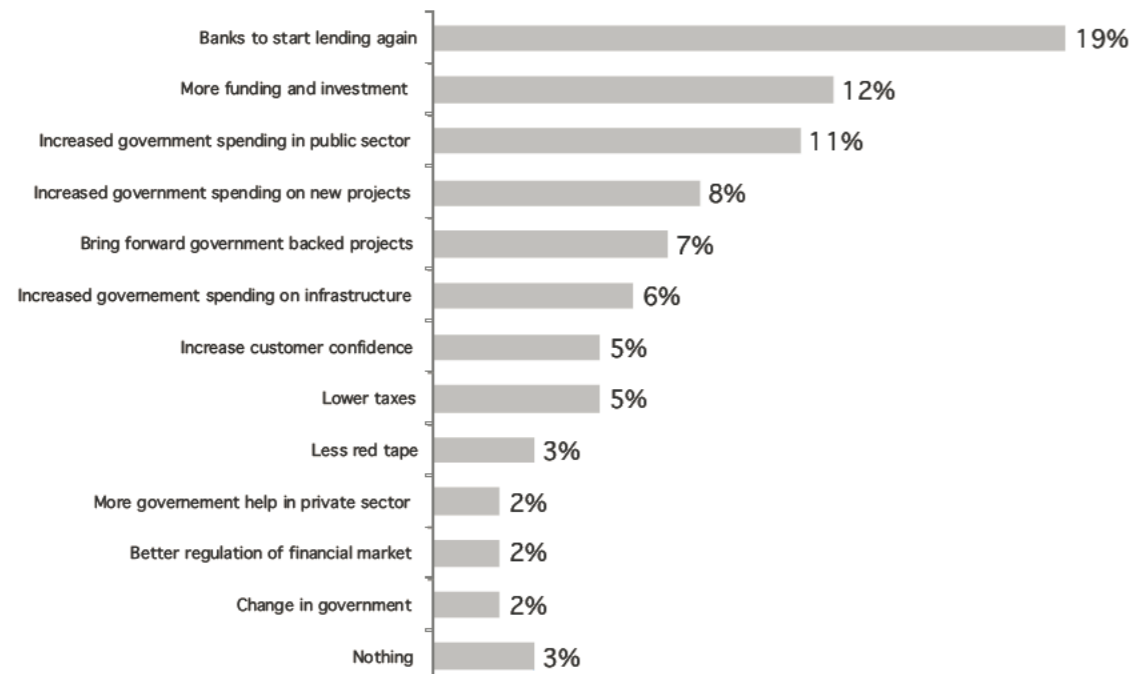
"We are fairly confident that we'll survive the recession, because we have such a diverse client base. We were able to shelter ourselves from the worst that was happening."

However some firms did express concern;

"I am not confident we will survive. We are funded by a board of directors at the group, and if we have not been making money since we started then they may well consider restructuring. The group has seen redundancies and as we have not made money - I am concerned they may shut us down."

7.14 The following chart shows responses to the question of what employers would like to see done to help the sector come out of the recession.

Ways to help the sector come out of the recession (spontaneous)



Base: All respondents (301)

7.15 The most common response was that the banks should start lending again (mentioned by 19% of all firms), whilst more funding and investment was mentioned by 12%. A number of other ways to help the sector come out of the recession focused around increased government support including; increased government spending in the public sector (11%), increased government spending on new projects (8%), government projects brought forward (7%) and increased government spending on infrastructure (6%). Clearly many professional services firms feel there is more the government could do to help the sector emerge more quickly from the recession.

Annex A: QUANTITATIVE QUESTIONNAIRE

PRIVATE & CONFIDENTIAL	CIC Survey Telephone	j4769
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QUOTAS

A) TAKE REGION FROM SAMPLE:

Northern Ireland	1	West Midlands	7
Scotland	2	East Midlands	8
Wales	3	South West	9
North West	4	East	10
North East	5	South East	11
Yorkshire & Humberside	6	London	12
CHECK QUOTAS (min 15 in each)			

B) TAKE SECTOR TYPE FROM SAMPLE:

Professional services (74.2)	1
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C) TAKE SIZE FROM SAMPLE:

5-9	1	CHECK QUOTAS
10-24	2	
25-49	3	
50+	4	

D) TAKE SECTOR TYPE FROM SAMPLE:

Panellist	1
New sample	2

REASSURANCES TO BE USED AS REQUIRED:

- Please be reassured that everything will be strictly confidential. Nothing will be reported back to the Construction Industry Council (CIC) about how individual companies respond to the survey (we are only reporting back aggregated statistics).
- Contact at CIC: Mark Way on 07785 730466
- Contact at IFF Research: Ben Davies / Mark Winterbotham on 020 7250 3035.
- Results will help CIC to ensure that training provision meets the needs of the industry.

S1. ASK ALL
Can I speak to [IF PANELLIST: INSERT CONTACT NAME]

[IF NOT PANELLIST: **the most senior person here who has responsibility for human resource and personnel issues or the person responsible for training and development?** INTERVIEWER PROMPT:

Yes – transferred	1	CHECK S2
Yes – correct respondent speaking	2	
Definite appointment	3	MAKE DEFINITE APPOINTMENT / SOFT CALL BACK
Soft appointment	4	
Nobody in office able to answer the questions	5	ASK FOR NAME & CONTACT DETAILS FOR ALTERNATIVE RESPONDENT
Refusal	6	ASK S1A
Refusal – company policy	7	
Not available in deadline	8	
[IF NAMED CONTACT] No-one of that name works here / Person no longer works here	9	RE-ASK S1 ABOUT SENIOR PERSON

S2) IF A PANELLIST (OTHERS GO TO S3)
Good morning / afternoon. My name is XXX calling from IFF Research in London. You may remember that in the past you helped us with an on-going study that we are conducting for [ALL EXCEPT NORTHERN IRELAND: ConstructionSkills / IF SAMPLE = NORTHERN IRELAND: CITB Northern Ireland / ConstructionSkills] looking at attitudes and views of employers like yourself on training, learning and qualifications. You mentioned then that you would be willing to take part in further research. We are now conducting research for ConstructionSkills and the Construction Industry Council (CIC) among Professional Services firms. It will just take 20-25 minutes. Is now a good time?

Yes	1	GO TO Q1
No - Definite appointment	2	MAKE DEFINITE APPOINTMENT / SOFT CALL BACK
No - Soft appointment	3	
Refusal – not interested	4	THANK AND CLOSE

S3) IF NON-PANELLIST (PANELLISTS GO TO Q1)
We are conducting a study for the Construction Industry Council (CIC) looking at the impact of the recession, and skills and training. Results will help CIC to ensure that education and training provision meets the needs of the industry. It will just take 20-25 minutes.
Can I just check are you the best person or one of the most appropriate people in the company to talk to about issues such as training and qualifications?

Yes	1	ASK Q1
No	2	ASK FOR NAME AND CONTACT DETAILS OF THIS PERSON, THEN RE-INTRODUCE
Don't know / depends on the questions	3	ASK Q1

SECTION A: ABOUT THE COMPANY

ASK ALL

1) **First, how many people does your company employ across the UK?** PROBE FOR BEST ESTIMATE

WRITE IN EXACT NUMBER AND CODE RANGE

1 (respondent only)	1	THANK AND CLOSE
2-4	2	
5-9	3	CONTINUE
10-24	4	
25-49	5	
50-99	6	
100+	7	

1a) **How many did you employ across the UK 12 months ago?** PROBE FOR BEST ESTIMATE

WRITE IN EXACT NUMBER AND CODE RANGE

1 (respondent only)	1
2-4	2
5-9	3
10-24	4
25-49	5
50-99	6
100+	7

1b) **Which one of the following best describes the primary activity undertaken by your business?**
 READ OUT.SINGLE CODE ONLY

Architecture	1	CONTINUE
Town / urban planning	2	
Landscape design	3	
Quantity surveying	4	
Civil and Structural engineering	5	
Building Services Engineering	6	
Engineering-related consulting	7	
Project Management	8	
Multi-disciplinary	9	
Other professional services relating to the construction industry (SPECIFY)	0	
None of the above	x	THANK AND CLOSE

IF MULTI DISCIPLINARY (CODE 9 AT Q1b)

1c) **What would you describe as your lead discipline?**

IF MULTI DISCIPLINARY (CODE 9 AT Q1b)

1d) And what are your secondary disciplines?

ASK ALL

2) Which of the following sectors do you work in?....READ OUT.

IF MORE THAN ONE AT q2)

2a) Which of these is the main sector that you work in? (SHOW ANSWERS FROM Q1e)

	Q2	Q2A
Private housing	1	1
Public housing	2	2
Infrastructure (i.e. roads, railways, bridges, harbours)	3	3
Commercial (i.e. retail, entertainment, offices)	4	4
Industrial (i.e. factories, warehouses)	5	5
Public non-residential (i.e. health, education)	6	6
Other (SPECIFY)	7	7

3) Do you work mainly for ...READ OUT (MULTICODE ALLOWED)

Private clients	1
As a sub-contractor for construction or consultancy firms	2
Commercial clients	3
Government or public sector clients	4
Or for other types of client (PLEASE SPECIFY)	5

4) Is this...READ OUT (CODE FIRST MENTIONED)

the only location of your organisation	1	ASK 4b
the headquarters of your company in the UK	2	ASK 4a
a branch	3	
[DO NOT READ OUT] Other (PLEASE SPECIFY)	4	

IF MORE THAN ONE OFFICE / BRANCH

4a) How many offices in total do you have across the UK?

EXACT NUMBER	_____
IF DON'T KNOW PROMPT WITH RANGE	
2-4	1
5-7	2
8-10	3
More than 10	4
Don't know	X

IF MORE THAN ONE OFFICE / BRANCH

4b) In which regions of the UK do you operate in? PROMPT IF NECESSARY

South East	1
London	2
East	3
South West	4
East Midlands	5
West Midlands	6
Yorkshire and Humberside	7
North East	8
North West	9
Scotland	10
Wales	11
Northern Ireland	12
All of Great Britain	13
All of the UK	14
Other (SPECIFY)	0
Don't know	X

ASK ALL

5) What do you feel are the key business challenges facing your company at the moment?

PROBE: What are the other main challenges you face? (MULTICODE FINE) DO NOT READ OUT

Need to increase sales / get more work or business in	1
Need to increase profitability	2
Dealing with the downturn / recession generally	3
Have more work than can handle	4
Finding suitably skilled / qualified staff	5
Getting finance to expand	6
Cash flow difficulties	7
Other (WRITE IN)	0
None / no particular challenges	X

SECTION B: ECONOMIC DOWNTURN

6) What has been the main impact, if any, of the economic downturn on your business?
(MULTICODE FINE) DO NOT READ OUT

Less work / low demand	1
Increased competition	3
Projects being delayed / cancelled	4
Cash flow difficulties	5
Reduced training activity (including taking less work placements)	6
Other (WRITE IN)	0
None / no particular impact	X

7) What steps, if any, have you taken to specifically meet the challenges presented by the economic downturn? (MULTICODE FINE) DO NOT READ OUT

Redundancies	1
Had to cut costs / overheads (i.e. close offices)	2
Cut back on planned recruitment of other staff	3
Reduced working hours, or encouraged staff to take unpaid leave or to work part-time	4
Reduced training	5
Sought work in alternative / different sectors	6
Other (WRITE IN)	0
None / no particular steps taken	X

8) In the last 12 months has your fee income increased, decreased or stayed at about the same level as compared with the 12 months before that?

Increased	1
Decreased	2
Stayed at about the same level	3
Refused / don't know	X

IF INCREASED / DECREASED AT Q8

8a) By approximately how much has fee income (IF Q8=1: increased / If Q8=2 fallen) in the last 12 months compared with the 12 months before that?

_____ %	
Don't know	X

ASK ALL

9) And compared with the last 12 months, do you expect your fee income over the next 12 months to increase significantly, increase, stay at about the same level, decrease or decrease significantly?

Increase significantly	1
Increase	2
Stay at about the same level	3
Decrease	4
Decrease significantly	5
Refused / don't know	X

ASK ALL

10) As a response to the downturn have you...? READ OUT. CODE ALL MENTIONED

	Yes	No	Don't know
a) Made staff redundant	1	2	X
b) Reduced working hours, or encouraged staff to take unpaid leave or to work part time	1	2	X
c) Increased your use of freelance or agency staff or consultants	1	2	X
IF "NO" AT C: d) Cut back on your use of freelance or agency staff or consultants	1	2	X
ASK ALL e) Recruited different specialisms to enable the firm to work in sectors new to the firm	1	2	X
ASK ALL f) Cut back on planned recruitment of graduates or newly qualified staff	1	2	X
IF "NO" AT F g): Increased planned recruitment of graduates or newly qualified staff	1	2	X
ASK ALL h) Cut back on planned recruitment of support staff	1	2	X
i) Spend more time bidding for work / writing proposals	1	2	X

IF MADE STAFF REDUNDANT (Q10A/1), OTHERS GO TO Q12

11) You mentioned that you've made staff redundant as a result of the downturn.

In which occupations have you laid staff off? DO NOT READ OUT. CODE ALL MENTIONED

Architects	1
Architectural Technologists	2
Building Service Engineers	3
Civil Engineers	4
Mechanical engineers	5
Other Engineers	6
Town Planners	7
Technicians	8
Building Surveyors	9
Quantity Surveyors	10
Landscape Designers	11
Project Managers	12
Marketing	13
HR, legal and business professionals	14
Administrative staff	15
Others (SPECIFY)	16

ASK ALL

12) How likely do you think it is that you will need to reduce the number of staff you employ in the next 12 months. Is it...READ OUT

Definite – already have this planned	1	ASK NEXT QUESTION
Very likely	2	
Quite likely	3	ASK NEXT ASK ALL
Not very likely	4	
Not at all likely	5	
(DO NOT READ OUT) Don't know / depends	6	

IF DEFINITE / VERY LIKELY

13) In which occupations do you anticipate having to make staff redundant? DO NOT READ OUT. CODE ALL MENTIONED

Architects	1
Architectural Technologists	2
Building Service Engineers	3
Civil Engineers	4
Mechanical engineers	5
Other Engineers	6
Town Planners	7
Technicians	8
Building Surveyors	9
Quantity Surveyors	10
Landscape Designers	11
Project Managers	12
Marketing	13
HR, legal and business professionals	14
Administrative staff	15
Others (SPECIFY)	16

IF RECRUITED STAFF (Q10E/1)

13a) You mentioned that you've recruited different specialisms to enable the firm to work in sectors new to the firm. In which occupations have you recruited staff? DO NOT READ OUT. CODE ALL MENTIONED

Architects	1
Architectural Technologists	2
Building Service Engineers	3
Civil Engineers	4
Mechanical engineers	5
Other Engineers	6
Town Planners	7
Technicians	8
Building Surveyors	9
Quantity Surveyors	10
Landscape Designers	11
Project Managers	12
Marketing	13
HR, legal and business professionals	14
Administrative staff	15
Others (SPECIFY)	16

IF REDUCED PLANNED RECRUITMENT OF GRADUATES (Q10f=1)

14) You say you cut back on planned recruitment of graduates or newly qualified staff as a result of the recession. How many would you have normally taken on?

Number	_____
Don't know	X

14a) And how many did you take on this year?

Number	_____
Don't know	X

ASK ALL

15) How many recent graduates or newly qualified staff does your company currently employ across the UK?

Number	_____
Don't know	X

16) And how many recent graduates or newly qualified staff did you employ 12 months ago?

Number	_____
Don't know	X

17) Do you think that across the industry as a whole the supply of graduates currently exceeds demand?

Yes	1	ASK Q17a
No	2	ASK Q18
Don't know	X	

IF YES

17a) In which disciplines or occupations do you feel this is the case? PROBE: Any others?

ASK ALL

18) Thinking about the impact of the recession on training, as a response to the downturn have you...? READ OUT. CODE ALL MENTIONED

	Yes	No	DK
a) Reduced the amount of training that you undertake	1	2	3
b) Made other changes to training to try to reduce spend such as bringing more training in-house	1	2	3
IF Q18a) = 2 c) Increased the amount of training you undertake	1	2	3
d) Reduced next year's training budget or next year's planned training activity	1	2	3

IF Q18 a=1

19) You say you have reduced the amount of training because of the recession. What training have you cut back on? PROBE: What else?

IF Q18 d=1

20) You say you have reduced next year's planned training activity. What particular training will you be cutting back on?

ASK ALL

21) Has the recession had an impact on the skills you need or want from existing staff or from potential recruits?

Yes	1	ASK NEXT QUESTION
No	2	ASK NEXT ASK ALL
Don't know	X	

IF YES

22) What skills are of increasing importance to you?

ASK ALL

23) And independent of the recession, are there any skills you expect to become more important over the next 2-3 years?

Yes	1	ASK NEXT QUESTION
No	2	ASK NEXT ASK ALL
Don't know	X	

IF YES

24) What skills do you expect to become of more importance in the next 2-3 years? ENTER EACH SEPARATELY

FOR EACH ANSWER AT PREVIOUS QUESTION

25) Which are the main occupations you expect the increase need for <ANSWER> to affect?

Skill	Occupation
i)	
ii)	
iii)	

ASK ALL

26) Since the start of the recession has your company sought advice, guidance or support from external organisations to assist with business performance?

Yes	1	ASK NEXT QUESTION
No	2	ASK NEXT ASK ALL
Don't know	X	

IF YES

27) Which types of organisation have you sought this advice or guidance from? PROMPT IF NECESSARY

Accountants	1
Banks	2
Benevolent society	3
Chambers of Commerce	4
CIC (Construction Industry Council)	5
ConstructionSkills	6
Industry bodies / professional institutions	7
Other (SPECIFY)	0
Don't know	X

28) Are there types of business advice or support that you have wanted but found hard to find or access?

Yes	1	ASK NEXT QUESTION
No	2	ASK NEXT ASK ALL
Don't know	X	

IF YES

29) Which types of advice or support have you found hard to access? PROMPT IF NECESSARY

ASK ALL

30) Generally speaking, how would you rate the availability and quality of business advice and guidance for companies in the professional services sector...READ OUT?

Very good	1	ASK NEXT ASK ALL
Good	2	
Ok	3	
Poor	4	ASK NEXT QUESTION
Very poor	5	
Don't know	6	ASK NEXT ASK ALL

IF POOR

31) On what sort of issues would you like to see support and guidance improved?

ASK ALL

32) Which professional bodies or institutes is your company a member of?

SPECIFY
None.....V

33) Has the recession led you to re-consider company membership of professional or industry bodies, or supporting employees to be members of these organisations?

Yes	1
No	2
Don't know	X

34) Which organisations, if any, do you feel it is crucial for your business or your staff to be members of?

SPECIFY:	1	ASK NEXT QUESTION
None	0	ASK NEXT ASK ALL
Don't know	X	

IF ANY MENTIONED

35) Why is this or are these organisations so important to your business?

ASK ALL

36) What are the main ways that you keep up to date with industry news? DO NOT READ OUT

Industry press / magazines (SPECIFY WHICH)	1
Word of mouth / informal networks	2
Websites (SPECIFY WHICH)	3
National / local press	4
Other (SPECIFY)	5
Don't know	6

37) Do you feel the worst of the recession is over?

Yes	1
No	2
Don't know	X

38) What, if anything, would you like to see done to help the sector come out of the recession? What else?

Don't know.....X

39) Finally, would you be willing to be contacted for research studies in the future by ConstructionSkills or CIC, or research agencies working on their behalf.

Yes	1
No	2

That's it, thank you for your time today. I just need to record your name, job title and telephone number.

ENTER NAME
ENTER JOB TITLE

THANK RESPONDENT AND CLOSE INTERVIEW

I declare that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.		
Interviewer signature:		Date:
Finish time:	Interview Length	Mins

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ConstructionSkills is the Sector Skills Council for Construction. It is a partnership between the Construction Industry Council (CIC), CITB-ConstructionSkills and CITB Northern Ireland.