

Construction pay rises for fifth consecutive quarter (BCIS)

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Construction site wages in the UK were up by an average of 2.4% in 2Q 2024 compared with the previous quarter, and up by 4.6% on an annual basis, the latest data from the Hays/BCIS Site Wage Cost Indices shows.

[The Building Cost Information Service](#) (BCIS) works with Hays Recruitment to track movement in the cost of site labour in the construction industry.

The greatest annual growth in earnings was seen in skilled mechanical and electrical trade placements, with pay 14.8% higher than in 2Q 2023.

Skill Level	Percentage change 2Q 2024 on:	
1Q 2024	2Q 2023	
All-in	+2.4%	+4.6%
Building Trades Skilled	+1.9%	+5.1%
Mechanical and Electrical Trades Skilled	+5.6%	+14.8%

Plant Operatives	0.0%	0.0%
Unskilled and Semi-skilled	+3.6%	+8.2%
Source: BCIS, Hays		

Hays reported fewer construction job placements in 2Q 2024, continuing a decrease which has been seen since 2Q 2021.

BCIS solutions architect Paul Burrows, who compiles the indices for BCIS and Hays, said: *“As the numbers of placements continue to fall across the board, whilst pay rises in line with wage agreements, it looks as though the market is suffering from a shortage of skilled workers. This is likely to be exacerbated as workers leave the industry, especially with the retirement of older workers who aren’t being replaced.*

“Construction output fell again in 2Q 2024, which has been a mitigating factor against the effects of a shrinking workforce. New orders data though, which is a snapshot of potential future work, showed another significant increase in the second quarter, up by 16.5% on 1Q 2024, boosted mainly by private commercial and infrastructure new work.

“If those orders translate into output, that may mark the point where skill shortages really start to constrain new activity, and I would expect to see upwards pressure on wages. It will be interesting to see if numbers of placements start to rise towards the year-end and, if they do, whether increased demand pushes up wages.”

The Hays/BCIS Site Wage Cost Indices are produced using market data from Hays Recruitment, generally representing labour requirements for immediate fulfilment.

Because of this, the indexes tend to be more volatile and faster to react to changes in market conditions than other labour indices.

The BCIS Labour Cost Index, for example, incorporates the movement in nationally agreed wage awards, which are generally updated annually, across the industry.

Promulgated rates that took effect in June 2024 included a 4% increase for builders under the BATJIC scheme and 4.5% increases for builders and civils workers under the CIJC.

Plumbers in Scotland and heating and ventilating workers are also due for increases later in the year.

For more information about BCIS please visit: www.bcis.co.uk