

# ConstructionSkills Network 2010-2014 Wales

LABOUR MARKET INTELLIGENCE



Contents

1 Summary and key findings

2 The outlook for construction in  
Wales

3 Construction employment  
forecasts for Wales

4 Comparisons across the UK



# Contents

Labour Market Intelligence



	Page
1 Summary and key findings	02
2 The outlook for construction in Wales	04
3 Construction employment forecasts for Wales	10
4 Comparisons across the UK	12

## Charts & Tables

1 Regional Comparison 2010–2014	02
2 Annual average construction output growth 2010–2014	03
3 Construction output 1992–2008	04
4 Construction industry structure 2008	04
5 Economic structure	05
6 Economic indicators	05
7 New construction orders growth 1993–2008	06
8 New work construction orders	06
9 Construction output 2010–2011	07
10 Annual average construction output growth 2010–2011	08
11 Annual average construction output growth 2010–2014	09
12 Construction output 2010–2014	09
13 Total employment by occupation	10
14 Annual recruitment requirement by occupation	11
15 Annual average output growth by region	12
16 Annual recruitment requirement by region	13

For more information about ConstructionSkills, please visit our [website](#).

ConstructionSkills is the Sector Skills Council for construction, tasked by Government to ensure the UK's largest industry has the skilled workforce it requires. Working with Government, training providers and employers, it is responsible for ensuring that the industry has enough qualified new entrants and that the existing workforce is fully skilled and qualified, as well as for improving the performance of the industry and the companies within it.



# Summary - Wales

Total construction output in Wales is expected to grow at an annual average rate of 2.5% between 2010 and 2014, higher than the national average figure of 1.7%. The new work sector is predicted to perform better than the repair and maintenance (R&M) sector, with the former growing by 3% and the latter by 1.8%. In 2014, total employment in the principality is projected to reach 127,680, slightly below the 2008 level but up 8.9% on the 2010 figure of 117,290. The annual recruitment requirement (ARR) over 2010–2014 for the principality is likely to be 5,030, well above the UK average.



## Regional comparison 2010-2014

	Annual average % change in output	Growth in total employment	Total ARR
North East	0.6%	4,660	3,190
Yorkshire and Humber	1.6%	7,040	2,220
East Midlands	2.6%	10,220	5,260
East of England	3.8%	20,760	7,350
Greater London	2.0%	3,620	3,300
South East	0.8%	-280	2,330
South West	0.4%	1,480	3,020
Wales	2.5%	10,390	5,030
West Midlands	1.5%	9,460	4,050
Northern Ireland	1.1%	1,380	720
North West	0.1%	3,190	4,100
Scotland	2.8%	21,100	7,220
<b>UK</b>	<b>1.7%</b>	<b>93,010</b>	<b>47,790</b>

Source: CSN, Experian  
Ref. CSN Explained Section 4, Note 2

Wales is expected to grow at an annual average rate of

# 2.5%

## Key findings

At nearly 8%, the private housing sector is expected to have the highest annual average growth rate between 2010 and 2014. Output should grow especially strongly in the medium term as a combination of underlying demand for housing, an easing in credit lending conditions and a stabilised house market drives developers to increase their construction activity. However, the improvement will be from a very low base as output in sector has now dropped to levels not seen since the recession of the early 1990s.

The infrastructure sector is predicted to have a similarly robust annual average growth rate although increases in output are likely to be in the earlier part of the forecast period. A number of large road projects, such as the £350m dual three-lane motorway link between Magor and Castleton and the £140m development of the A465 Trunk Road will get underway and the £800m 200MW combined cycle gas turbine generating station in Pembroke should also contribute to output over the forecast period.

The industrial sector is projected to be the next best performing in Wales between 2010 and 2014. On an annual average basis, output is expected to grow at a rate of 3.9% as improving economic conditions and increased domestic and export demand provides the impetus for manufacturers to build new facilities. This should lead to steady, but moderate, growth in the sector from 2011 to the end of the forecast period, although again from a historically very low base.

Public housing output is expected to grow particularly robustly in the short term as funding to build social housing units begins to stream through from the Welsh Assembly. However the rate of growth should slow in the medium term, before output drops into negative territory in the final two years of the forecast period, as constraints on public expenditure begin to bite in earnest.

The public non-housing and commercial sectors are the only ones in new work to have negative annual average growth rates over the medium term (-1.7% and -1.1%, respectively). The public non-housing

sector is expected to suffer as a result of falling public expenditure in the latter part of the forecast period as the UK government attempts to address its ballooning deficit, while the commercial sector is predicted to suffer in the shorter term (2010 and 2011) due to fragile consumer confidence and weak spending growth.

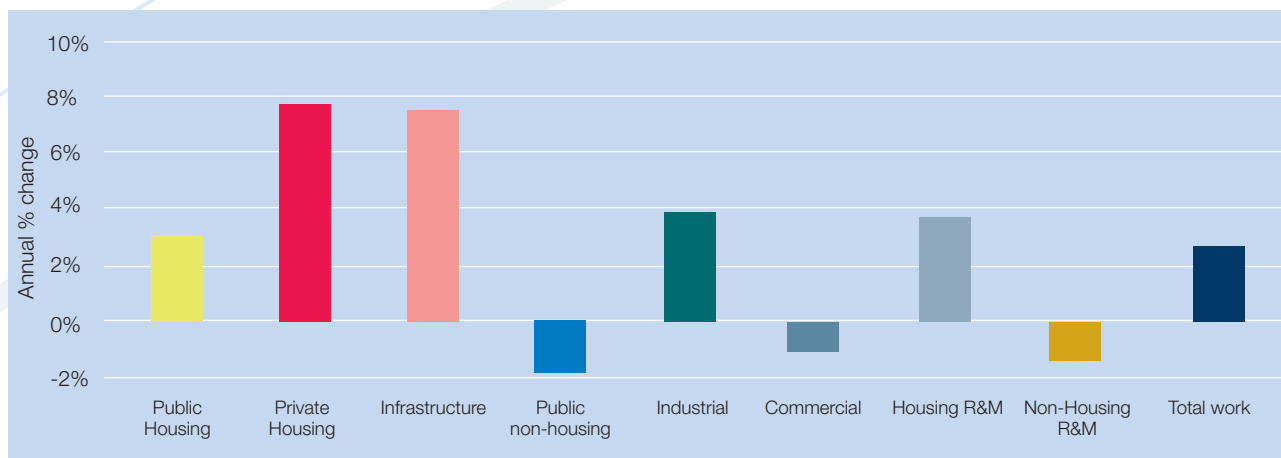
In 2014, total construction employment in Wales is projected to reach 127,680, down marginally on the 2008 figure, although up 8.9% on the 2010 figure. The largest trade occupational groups in the principality in 2008 were wood trades and interior fit-out (16,950) and construction managers (8,710), with the former accounting for around 13% of total employment and the latter 8%. The greatest growth between 2010 and 2014 is expected to be for the plant mechanics/fitters (50%) and civil engineering operatives nec\* (33%) groupings, with the latter predicated to benefit from the strength of the infrastructure sector.

The annual recruitment requirement for 2010–2014 for Wales is projected to stand at around 5,030, with wood trades and interior fit-out (1,070) likely to be most in demand.



National Botanic Garden of Wales

## Annual average construction output growth 2010-2014 - Wales



Source: CSN, Experian  
Ref. CSN Explained Section 4, Note 2

\* nec - not elsewhere classified

# 2 The outlook for construction in Wales

## 2.1 Construction output in Wales – overview

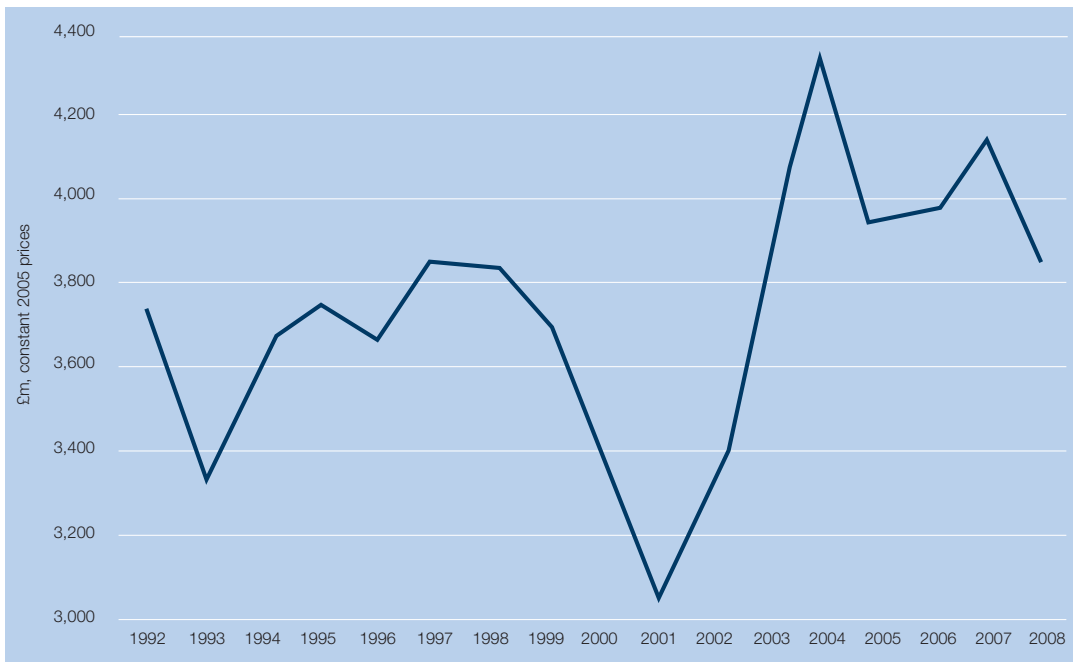
Following two consecutive years of growth, total construction output in Wales declined by 8% to £3.8bn (in 2005 prices) in 2008, the lowest level since 2002.

The new work sector was entirely responsible for the fall in the principality's activity in 2008, with a contraction in output of 12% to £2.4bn. In contrast the R&M sector grew by 1% to reach £1.4bn.

In 2008, private housing was the worst performing sector in Wales as output declined by 31% to its lowest level since 1999. The public non-housing and commercial sectors also fared poorly as output fell by 12% and 10%, respectively.

In contrast, the three smallest new work sectors experienced increases in activity in 2008. Public housing output was especially buoyant, up 18% to £95m, the highest level since 1997. Infrastructure output growth was also in double-digits, up 13% to £391m, while the rise for the industrial sector was moderate at 5%.

### Construction output 1992-2008 - Wales



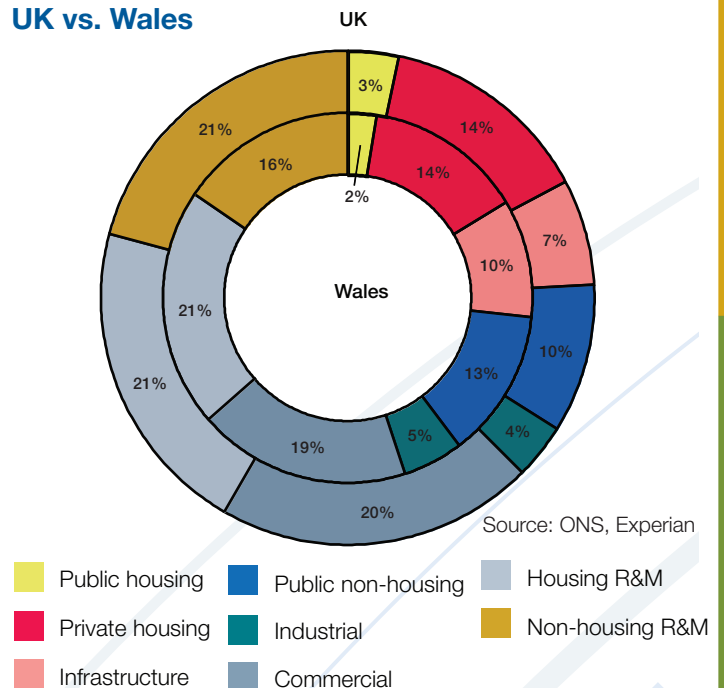
Source: ONS  
ref. CSN Explained, Section 4, Note 1

## 2.2 Industry structure

The diagram, Construction Industry structure 2008 – UK vs. Wales, illustrates the sector breakdown of construction in Wales compared to that in the UK. Effectively, the percentages for each sector illustrate what proportion of total output each sector accounts for.

The biggest difference between the structure of the Welsh construction industry and that of the UK is the size of the R&M market. Wales' R&M sector as a whole accounts for 37% of total output, a noticeably smaller share than the UK's 42%. However amongst the new work sectors, both the infrastructure and the public non-housing sectors were proportionally 3% larger in the principality when compared to the UK.

### Construction industry structure 2008 - UK vs. Wales



\* nec - not elsewhere classified

## Economic structure - Wales (£ billion, 2005 prices)

Selected Sectors	Actual	Forecast Annual % change, real terms					
	2008	2009	2010	2011	2012	2013	2014
Public services	12	-0.2	0.0	0.5	0.5	0.6	0.8
Financial and business services	8	-8.0	-2.1	-0.9	1.4	3.1	3.4
Transport and communications	2	-9.9	-4.0	1.4	2.9	2.7	2.6
Manufacturing	8	-11.8	-7.3	-0.5	1.9	2.2	2.4
Distribution, hotels and catering	6	-9.7	-0.5	2.3	3.2	3.3	3.1
<b>Total Gross Value Added (GVA)</b>	<b>42</b>	<b>-6.6</b>	<b>-1.8</b>	<b>0.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.9</b>

Source: Experian  
Ref. CSN Explained, Section 4, Note 3

### 2.3 Economic overview

The expected performance of a regional or national economy over the forecast period (2010–2014) provides an indication of the construction sectors in which demand is likely to be strongest.

### 2.4 Economic structure

In 2008, the Welsh economy was estimated to be worth around £42.3bn (in 2005 prices), up 2% when compared to the previous year and equivalent to 3.6% of the UK total.

The largest component of the principality's economy was the public services sector, accounting for around 28% of total gross value added (GVA) (higher than the UK figure of below 22%). Financial and business services is the second largest sector in Wales, but with a share of just over 18% it is proportionally less important to the Welsh economy than the UK's as a whole (over 27%). The distribution, hotels and catering sector was the next biggest and accounted for 15% of GVA, broadly in line with the national figure.

The greatest growth in recent years has been in the financial and business services sector. Its share as a proportion of total GVA increased from 14% at the beginning of the decade to 18% in 2008, while in contrast, the public services sector's share fell from just over 29% to 28%.

### 2.5 Forward looking economic indicators

The economy in Wales is expected to grow at an annual average rate of 0.5% between 2010 and 2014, considerably slower than the UK as a whole (1.6%). Although the financial and business services sector is predicted to bounce back healthily in the latter two years of the forecast period, its annual average rate of growth is likely to remain lacklustre at 0.9% overall. In contrast, the largest growth rate, on an average annual basis, in Wales is likely to be for distribution, hotels and catering at 2.3%.

Although real household disposable income in Wales is predicted to increase at a slower pace than the national average over the forecast period, household spending should increase at a faster rate. Despite this, the debt-to-income ratio for the principality is expected to fall between 2010 and 2014.

According to Communities and Local Government (CLG), house prices in Wales fell by 2.9% in 2008 to £160,482 following 12 consecutive year-on-year increases. In 2009, house prices are estimated to have fallen by 9.3% in Wales, and our expectation is that this downward trend will continue into 2010, albeit at a much lesser pace. In 2011, house prices should start to pick up again with an increase of 1.1% and continue rising at a quickening rate to the end of the forecast period.

## Economic indicators - Wales (£ billion, 2005 prices - unless otherwise stated)

	Actual	Forecast Annual % change, real terms					
	2008	2009	2010	2011	2012	2013	2014
Real household disposable income	35	2.7	-1.9	0.5	1.0	1.5	1.8
Household spending	33	-4.0	-3.1	1.6	3.8	3.4	2.7
Debt:income ratio	1.1	1.3	-1.3	-4.1	-2.9	-1.5	-0.9
House prices (£'000, current prices)	160	-9.3	-0.9	1.1	2.0	2.4	2.8
LFS unemployment (millions)	0.09	84.3	32.1	0.8	-8.9	-12.3	-8.9

Source: ONS, DCLG, Experian



## New work construction orders - Wales (£ million, current prices)

	Actual 2008	2004	Annual % change		2007	2008
			2005	2006		
Public housing	72	-39.6	75.9	0.0	61.5	-13.0
Private housing	219	10.1	16.3	-3.1	-8.7	-60.2
Infrastructure	311	27.6	206.2	-44.4	-40.0	56.9
Public non-housing	451	-19.4	-10.4	57.8	-16.5	16.5
Industrial	89	49.5	6.1	-33.1	66.1	-48.9
Commercial	381	13.7	5.6	66.9	-24.4	-33.8
<b>Total new work</b>	<b>1,523</b>	<b>6.0</b>	<b>30.5</b>	<b>6.4</b>	<b>-14.9</b>	<b>-22.6</b>

Source: ONS  
Ref. CSN Explained, Section 4, Note 4

### 2.6 New construction orders - overview

In 2008, new construction orders in Wales fell by almost 23% to £1.5bn (in current prices). This took the level of orders to the lowest point since 2002.

The private housing sector saw the largest year-on-year decline for new orders in 2008, down 60%, which is the third year of contraction. Industrial orders also shrunk significantly, down 49% on the 2007 level, while commercial orders fell by 34%. In contrast, the infrastructure sector saw a 57% increase in new orders, although this market is inherently prone to volatility due to the high value of individual contracts. The public non-housing sector was the only other one to see an increase in new orders in 2008, with the rise of 17% being of the same magnitude as the fall in the previous year. Finally, the contraction in orders of 13% for public housing was the smallest.

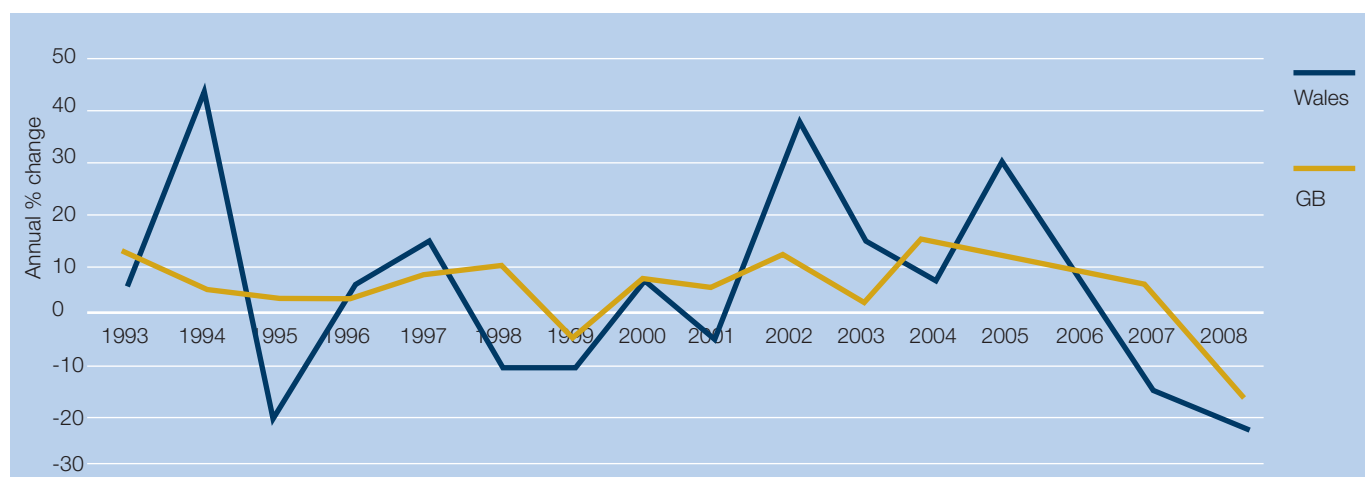
### 2.7 New construction orders – current situation

In the first three quarters of 2009 new work orders totalled £1.1bn (current prices), a further 3% fall when compared to the corresponding period of 2008. However, it does appear that the declines in new orders in Wales are slowing, after two very bad years.

The private housing and commercial sectors were the only markets to see declines in the first nine months of 2009, of 12% and 38%, respectively, on an annualised basis. This was a clear indication of the continued difficulties being faced in the local economy as demand for new housing and commercial and retail facilities remained depressed. Conversely, new orders for the public housing and industrial sectors increased by 96% to £110m and 63% to £117m, respectively, over the same period.

Growth in new orders for the infrastructure and public non-housing sectors was more muted. The former posted a figure of £282m between January and September 2009, an increase of just 1% year-on-year, while the latter's outturn of £267m was a rise of 5%.

### New construction orders growth 1993-2008 - Wales vs. GB



Source: ONS  
Ref. CSN Explained, Section 4, Note 4

## 2.8 Construction output – short-term forecasts (2010–2011)

Regional Office for National Statistics (ONS) output statistics are published in current prices and are thus inclusive of any inflationary effect. At the time of writing, ONS construction output statistics are only available for the first two quarters of 2009.

Construction output in Wales totalled just over £2bn to the end of June 2009, down 18% when compared to the same period of the preceding year. The decline in the new work sector was steeper than the R&M one, with the former seeing a contraction in output of 24% to £1.2bn, and the latter, a fall of 8% to £846m.

On an annual average basis between 2010 and 2011, new work output is expected to grow by 3.9%, whereas R&M should see an increase of just 0.8%. The growth rate for total construction output in Wales is forecast to be 2.7%, with 2010 and 2011 likely to see year-on-year rises of around 2% and 3%, respectively.

In the first six months of 2009, output for the public housing sector increased by 79%. Growth in the sector is likely to have been supported by greater funding availability for social housing as part of the Welsh Assembly's pledge to increase the provision of affordable units. Construction work as part of the programme is likely to stream into 2010 and 2011, giving an annual average growth rate between the two years of 9.4%.

In contrast, output in the private housing sector declined by 43% year-on-year in the first two quarters of 2009. Falling house prices, alongside restricted mortgage finance for consumers is forecast to keep activity in the sector at a low level. However, output should bounce back with a moderate increase in 2010, having seen a steep decline in the preceding year, before seeing a further healthy rise in 2011 as economic conditions pick up and buyer confidence improves.

Infrastructure output fell by 18% in the first two quarters of 2009 when compared to the corresponding period of 2008. Although output in the sector is forecast to contract in 2009, the bounce back in 2010 and 2011 is expected to be strong. The double digit rises for the two years are predicated upon a number of schemes including the £350m dual three-lane motorway link between Magor and Castleton and the £800m 200MW combined cycle gas turbine generating station in Pembroke starting on site in the near future.

Output for the public non-housing sector rose by 5% in the first six months of 2009. On an annual average basis between 2010 and 2011, the growth rate for the sector is predicted to be 6.2% as the second tranche of 'Transitional' funding comes through. The programme of works is part of the Welsh Assembly's drive to have all schools and colleges 'fit for purpose'.

Finally, the commercial sector is forecast to be the only one in new work to have a negative average annual growth rate (-10%) between 2010 and 2011. However, projects such as the £200m data centre in Newport and a £120m shopping centre, also in Newport, should stop output in the sector from falling as far as it might otherwise do. The weak state of the sector in the principality was apparent in the first two quarters of 2009 as output contracted by 24% on an annualised basis.

### Construction output - Wales (£ million, 2005 prices)

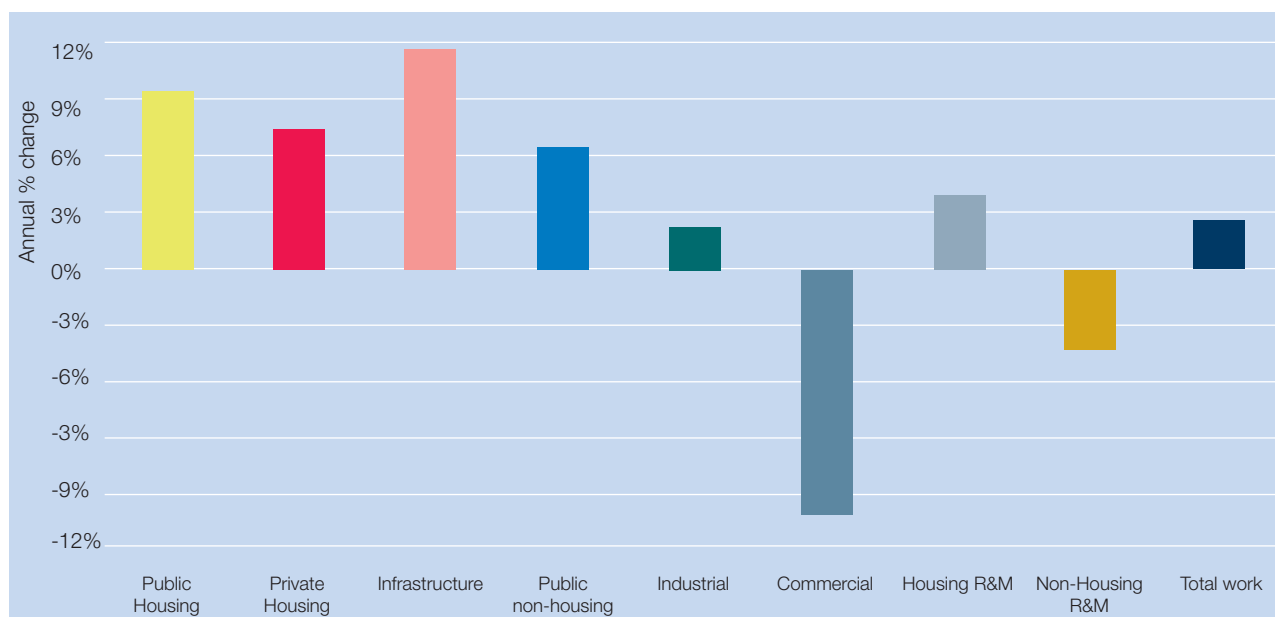
	Actual	Forecast annual % change			Annual average
	2008	2009	2010	2011	2010-2011
Public housing	95	46%	14%	5%	9.4%
Private housing	536	-25%	5%	9%	7.2%
Infrastructure	391	-6%	14%	10%	11.7%
Public non-housing	504	14%	11%	1%	6.2%
Industrial	198	-51%	1%	4%	2.3%
Commercial	718	-33%	-16%	-4%	-10.0%
<b>New work</b>	<b>2,441</b>	<b>-16%</b>	<b>4%</b>	<b>4%</b>	<b>3.9%</b>
Housing R&M	798	-4%	3%	5%	4.3%
Non-housing R&M	598	-9%	-6%	-2%	-4.2%
<b>Total R&amp;M</b>	<b>1,395</b>	<b>-6%</b>	<b>-1%</b>	<b>2%</b>	<b>0.8%</b>
<b>Total work</b>	<b>3,837</b>	<b>-12%</b>	<b>2%</b>	<b>3%</b>	<b>2.7%</b>

Source: Experian

Ref. CSN Explained, Section 4, Notes 1 and 2



## Annual average construction output growth 2010-2011 - Wales



Source: Experian  
ref. CSN Explained, Section 4, Note 2

### 2.9 Construction output – long-term forecasts (2010–2014)

Total construction output is forecast to increase at an annual average rate of 2.5% between 2010 and 2014. The new work market is expected to perform better than the R&M market, with an annual average growth rate of 3% for the former and 1.8% for the latter. The weaker outturn for the R&M market is predicated to be down to the poorly performing non-housing R&M sector. In contrast, housing R&M market should be relatively buoyant as it benefits from the increased activity through the Housing Quality Standards scheme.

With average annual growth rates of nearly 8% the private housing and infrastructure sectors, respectively, are likely to be the star performers over the medium term. The former is expected to benefit from underlying demand in the housing market, which has been exacerbated by the long-term mismatch of supply and demand of units. Meanwhile, the infrastructure sector is also forecast to do well on the basis of a number of projects in the early part of the forecast period coming on stream such as the £140m development of the A465 Trunk Road between its junctions with the A467 and the A4048.

The growth rate for the industrial sector is expected to be 3.9% on an annual average basis between 2010 and 2014. The small increase in 2010 is expected to be followed by moderate year-on-year rises to the end of the forecast period as the global economy recovers and domestic and export demand increases. Meanwhile, the public housing sector is expected to have a slightly smaller growth rate of 3% over the same period, mainly due to falls in activity in the final two years of the forecast period. However in the shorter term, output in the sector should grow robustly as increased funding from the Welsh Assembly drives forward construction projects.

The public non-housing and commercial sectors are the only ones projected to have a negative growth rate over the long term. On an annual average basis, the former is expected to decline by 1.7% and the latter by 1.1%. The government will be under severe pressure to cut capital spending once the economy moves out of recession, and post 2011 this is likely to feed through into the Welsh public education and health sub-sectors especially.

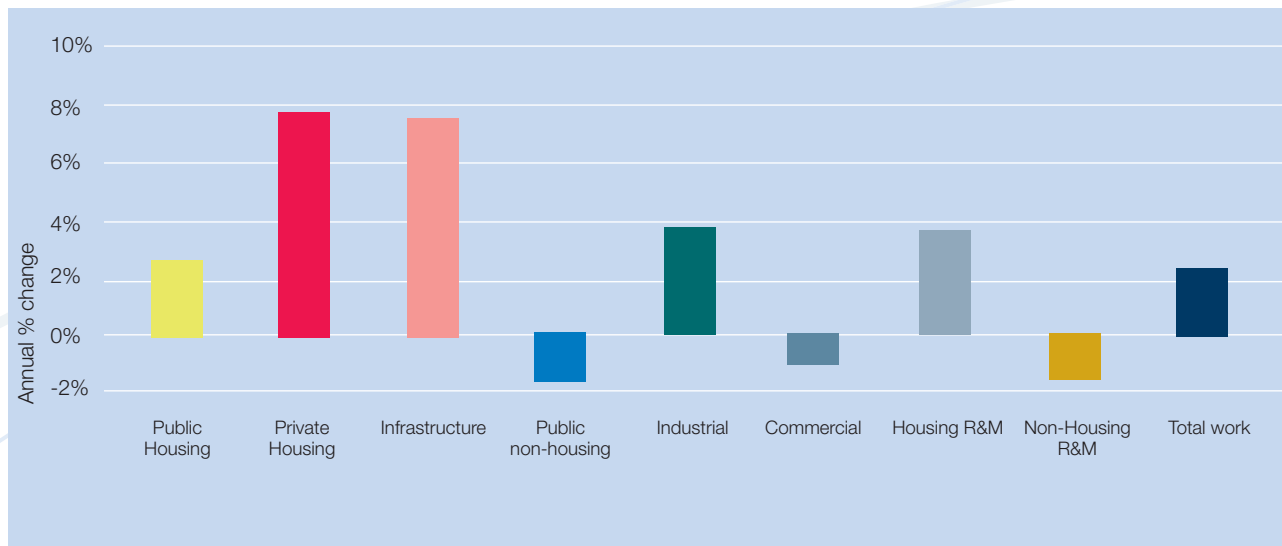
In the commercial sector, the declines in the initial two years of the forecast period lead to a negative annual average growth rate between 2010 and 2014, despite projected growth from 2012 onwards. Difficulty in obtaining credit is likely to be the main obstacle for developers, although as the economy begins to recover, the expectation is that many retail, office and leisure schemes should get back on track. Amongst the projects due to come online is a £100m office development in Wrexham, which is due to start in late 2010 and run through into the middle of 2013.

## Construction output - Wales (£ million, 2005 prices)

	Estimate	Forecast annual % change					Annual average
	2009	2010	2011	2012	2013	2014	2010-2014
Public housing	138	14%	5%	2%	-2%	-3%	3.0%
Private housing	404	5%	9%	11%	11%	4%	7.9%
Infrastructure	367	14%	10%	8%	4%	4%	7.8%
Public non-housing	573	11%	1%	-9%	-8%	-3%	-1.7%
Industrial	97	1%	4%	4%	6%	5%	3.9%
Commercial	481	-16%	-4%	2%	5%	9%	-1.1%
<b>New work</b>	<b>2,061</b>	<b>4%</b>	<b>4%</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>	<b>3.0%</b>
Housing R&M	768	3%	5%	5%	3%	3%	3.8%
Non-housing R&M	545	-6%	-2%	2%	0%	0%	-1.4%
<b>Total R&amp;M</b>	<b>1,312</b>	<b>-1%</b>	<b>2%</b>	<b>4%</b>	<b>2%</b>	<b>2%</b>	<b>1.8%</b>
<b>Total work</b>	<b>3,374</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>	<b>2.5%</b>

Source: CSN, Experian  
Ref. CSN Explained, Section 4, Note 2

## Annual average construction output growth 2010-2014 - Wales



Source: CSN, Experian  
ref. CSN Explained, Section 4, Note 2

# 3 Construction employment forecasts for Wales

## 3.1 Total construction employment forecasts by occupation

The table presents actual construction employment (SIC 45 and 74.2) in Wales for 2008, the forecast total employment in 26 occupational groups and in the industry as a whole between 2010 and 2014. A full breakdown of occupational groups is provided in Section 5 of CSN Explained.

Total construction employment in 2014 is forecast to reach 127,680, marginally below the 2008 outturn but up 8.9% on the 2010 projected total. In 2014, 113,920 are predicted to be working in SIC 45, whilst 13,760 are expected to be working in SIC 74.2.

The largest occupational group in the principality in 2008 was wood trades and interior fit-out, accounting for around 13% of the total workforce, slightly higher than the national average. Totalling 8,710 and 8,180, the next biggest trade occupational groups were construction managers and electrical trades and installation, respectively.

In absolute terms, the greatest growth in construction employment is expected to be for labourers nec\* (1,800) and civil engineering operatives nec\* (1,120) between 2010 and 2014. However in percentage terms, plant mechanics/fitters (50%) and civil engineering operatives nec\* (33%) are predicted to be the most in demand.

Not all occupations will necessarily experience growth between 2010 and 2014 as the mix of work in Wales changes. In particular there may be less demand for steel erectors in the medium term.

Total construction employment forecasts by occupation	Actual 2008	Forecast	
		2010	2014
Senior, executive, and business process managers	2,830	2,770	3,290
Construction managers	8,710	7,820	8,290
Non-construction professional, technical, IT, and other office-based staff	10,810	10,560	12,080
Wood trades and interior fit-out	16,950	15,200	15,830
Bricklayers	4,860	4,950	5,220
Building envelope specialists	6,690	5,950	6,050
Painters and decorators	6,930	6,680	7,150
Plasterers and dry liners	3,580	2,880	2,870
Roofers	1,310	1,290	1,370
Floorers	1,540	1,560	1,550
Glaziers	2,630	2,690	2,870
Specialist building operatives nec*	4,480	3,900	3,910
Scaffolders	2,250	1,620	1,850
Plant operatives	3,990	3,650	4,410
Plant mechanics/fitters	1,440	1,030	1,550
Steel erectors/structural	2,840	1,980	1,740
Labourers nec*	7,660	6,790	8,590
Electrical trades and installation	8,180	8,590	8,330
Plumbing and HVAC Trades	7,360	6,850	7,190
Logistics	2,440	2,050	2,410
Civil engineering operatives nec*	3,960	3,440	4,560
Non-construction operatives	2,240	2,170	2,830
Civil engineers	3,880	3,540	3,890
Other construction professionals and technical staff	6,090	5,290	5,570
Architects	860	950	1,180
Surveyors	3,490	3,110	3,110
<b>Total (SIC 45)</b>	<b>113,680</b>	<b>104,400</b>	<b>113,920</b>
<b>Total (SIC 45 and 74.2)</b>	<b>128,000</b>	<b>117,290</b>	<b>127,680</b>

Source: ONS, CSN, Experian  
Ref. CSN Explained, Section 4, Notes 5 and 6

\* nec - not elsewhere classified

### 3.2 Annual recruitment requirements (ARR) by occupation

The ARR is a gross requirement that takes into account workforce flows into and out of construction due to such factors as movements between industries, migration, sickness, and retirement. However, these flows do not include movements into the industry from training, although robust data on training provision is being developed by ConstructionSkills in partnership with public funding agencies, Further Education, Higher Education and employer representatives. Thus, the annual recruitment requirement provides an indication of the number of new employees that would need to be recruited into construction each year in order to realise forecast output.

The annual recruitment requirement (ARR) for the 26 occupational groups within Wales' construction industry between 2010 and 2014 is illustrated in the table. The ARR of 5,030 is indicative of the average requirements per year for the industry, as based on the output forecasts for the nation.

The wood trades and interior fit-out (1,070) occupation is expected to have the largest ARR, although as a percentage of 2010 employment, the logistics (13.2%) grouping is predicted to be most in demand. At 9.7% each, plant mechanics/fitters and labourers nec\* are also projected to have high ARRs as a proportion of their 2010 employment.

Please note that all of the ARRs presented in this section are employment requirements and not necessarily training requirements. This is because some new entrants to the construction industry, such as skilled migrants or those from other industries where similar skills are already used, will be able to work in the industry without the need for retraining.

Non-construction operatives is a diverse occupational group including all of the activities under the SIC 45 and SIC 74.2 umbrella that cannot be classified elsewhere, such as cleaners, elementary security occupations nec\* and routine inspectors and testers. The skills required in these occupations are highly transferable to other industries and forecasting such movement is hazardous given the lack of robust supportive data. Therefore the ARR for non-construction operatives is not published.

Finally, for certain occupational groups there will be no appreciable requirement over the forecast period, partly due to the recession creating a 'pool' of excess labour.

ARR by occupation	2010-2014
Senior, executive, and business process managers	-
Construction managers	280
Non-construction professional, technical, IT, and other office-based staff	960
Wood trades and interior fit-out	1,070
Bricklayers	340
Building envelope specialists	110
Painters and decorators	370
Plasterers and dry liners	-
Roofers	<50
Floorers	<50
Glaziers	250
Specialist building operatives nec*	90
Scaffolders	<50
Plant operatives	<50
Plant mechanics/fitters	100
Steel erectors/structural	-
Labourers nec*	660
Electrical trades and installation	-
Plumbing and HVAC Trades	80
Logistics	270
Civil engineering operatives nec*	<50
Non-construction operatives	-
Civil engineers	220
Other construction professionals and technical staff	60
Architects	60
Surveyors	<50
<b>Total (SIC 45)</b>	<b>4,670</b>
<b>Total (SIC 45 and 74.2)</b>	<b>5,030</b>

Source: CSN, Experian  
Ref. CSN Explained, Section 4, Notes 5 and 6

\* nec - not elsewhere classified

# 4 Comparisons across the UK

Between 2010 and 2014, construction output for all regions and nations is expected to grow. Wales' annual average rate of increase of 2.5% is expected to be noticeably higher than the UK as a whole (1.7%) and the fourth highest of the 12 regions and nations.

The infrastructure sector should be the best performing market in new work in the UK between 2010 and 2014. Greater London's infrastructure output growth is predicted to be especially strong—driven by work on Crossrail, Thameslink, and the Thames Water programme—and the East of England could have a double digit growth rate as well. In Wales, there are a number of schemes in the sector in the early part of the forecast period, however, since there are no major projects due to start in 2013 and 2014, the expectation is that the average annual growth rate will be moderate at best.

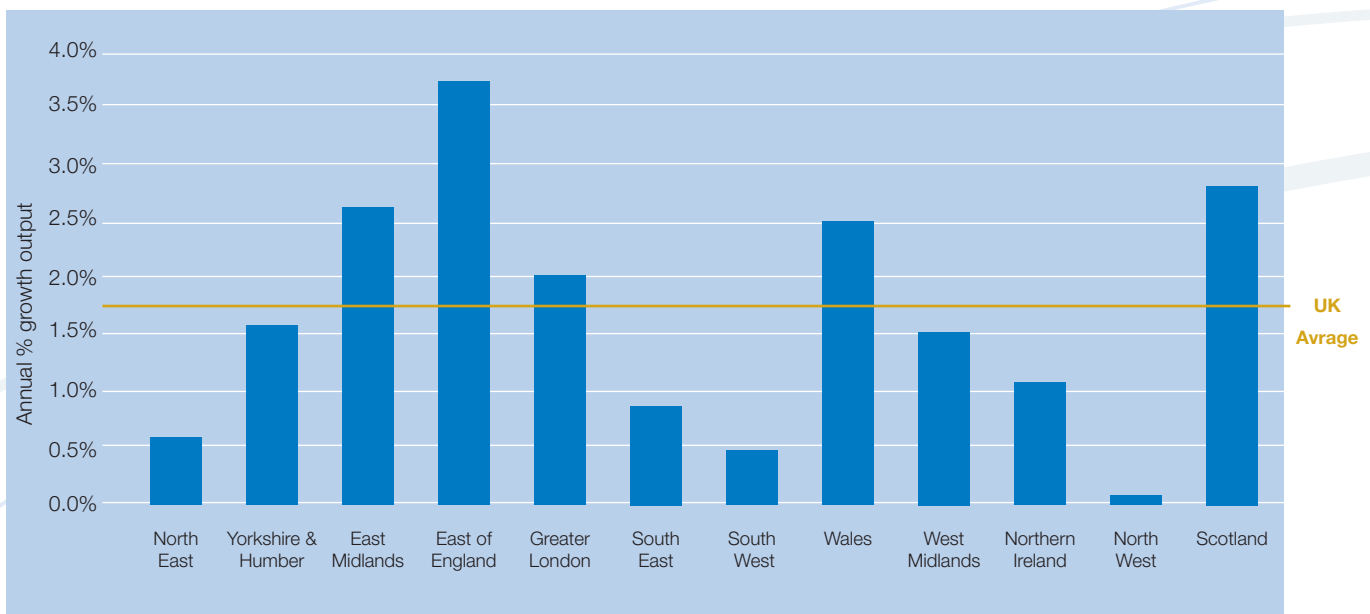
Wales does not have a schools investment programme along the same scale as Building Schools for the Future (BSF) in England, thus it has not experienced the very robust growth rates seen in some of the English regions in recent years. The positive side of this is that when public expenditure cuts do begin to bite, the public non-housing sector in Wales is likely to be less affected than some of the English regions, as the BSF programme is one that must be under threat in more straitened financial circumstances. The projected decline in output on an annual average basis (1.7%) for the public non-housing sector is thus likely to be one of the smallest when compared to other areas of the UK.

The stand out sector in Wales when compared to the rest of the UK is the housing R&M sector. With an annual average growth rate of 3.8% over 2010–2014, it is expected to be the strongest of the regions and nations in the UK and well above the national average figure of 0.4%. Growth is projected to be driven by the Housing Quality Standards scheme, although there are some concerns whether it will still be in the picture once the government has to look at areas to reduce spending.

Between 2010 and 2014, the ARR for the East of England (7,350) is estimated to be the highest of all the nations and regions in the UK. Scotland (7,220) is projected to come second, the East Midlands third (5,260) and Wales fourth (5,030). The principality's Housing Quality Standards scheme is expected to be one of the main reasons behind the high ARR since the R&M market is much more labour intensive when compared to new work, and thus generates more jobs per £1m of output. Although the same is broadly true for the East of England as it has a large R&M market, while Scotland's high ARR is as a result of high net outflows from the region and therefore the requirement to replace those who have left the local industry.

In contrast, Northern Ireland has the smallest ARR (720). The province has a small construction market, therefore the number of construction workers needed over and beyond the natural flows in the employment market is likely to be small.

## Annual average output growth by region 2010 - 2014



Source: Ref. CSN Explained, Section 4, Note 2

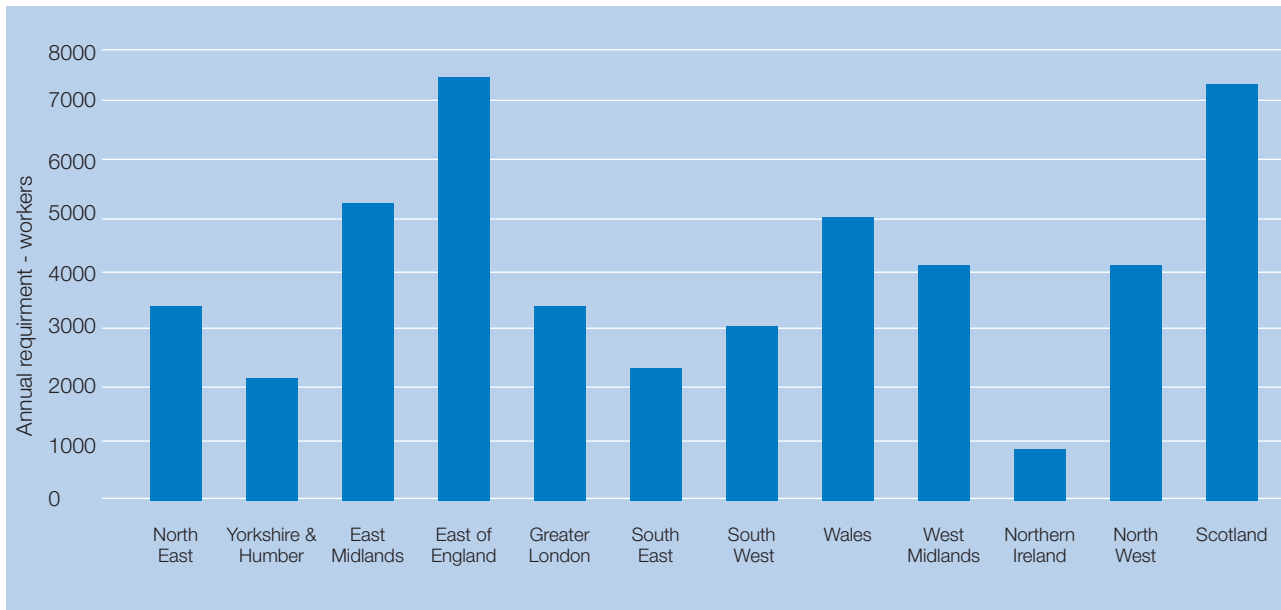
Wales' annual average rate of increase of

# 2.5%

is expected to be noticeably higher than the UK average

\* nec - not elsewhere classified

## Annual recruitment requirement (ARR) by region 2010 - 2014

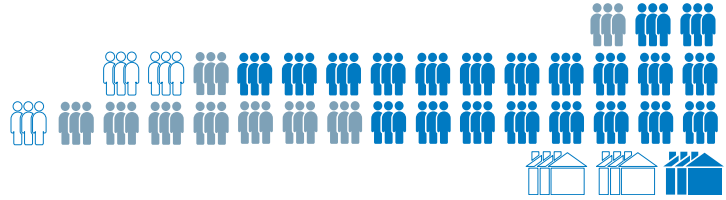


Source: CSN, Experian



Welsh Housing Quality Standards work is one of the main reasons for an ARR of **5,030**





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