

Construction Skills Network

Industry Outlook Wales 2021-2025

The CITB Construction Skills Network (CSN) report for 2021-25 outlines three scenarios for how the construction sector might recover from the current recession.

In Wales, we expect to see an overall drop in construction output of between 22% - 25% in 2020 with work recovering from 2021 onwards.

Our forecast, produced with Experian, indicates that most sub-sectors of construction are set for a challenging few years ahead, although there are some brighter spots, with housing standing out for Wales.

With this in mind, we look at how CITB, industry and government should work together on the key skills challenges to support recovery. These include continuing high levels of support for the next 12 months, sustained investment in skills, and greater certainty on the pipeline of work for economic and social infrastructure.

The CSN report models three scenarios, base case, mid case and worse case. In the base case scenario:

- From 2021 to 2025 average annual construction output growth is forecast at 4.8% for Wales, slightly lower than the UK figure of 5.4%.
- CSN's annual average sub-sector growth rates over the next five years see private housing in Wales in the strongest position (7.8%), while public housing (7.6%) and public non-housing (5.5%) are also expected to grow strongly and be key drivers for recovery.
- We expect a workforce reduction in 2020 in Wales which then picks up as businesses recover, with average annual workforce growth rate of 1.8% between 2021-2025.
- We expect a drop in new apprenticeship starts for the 2020/21 academic year, where apprentices would usually begin their studies September-November. Our research indicates that employers have had to re-think their plans in response to coronavirus.
- Occupations such as Construction Project Managers; Civil engineering operatives; Civil engineers and Surveyors will show the highest levels of demand for new workers.

CITB is working with industry to make it easier for people to join construction, to place people who have lost their jobs, to help learners complete their apprenticeships and to carry out essential training and retraining.

CITB looks forward to working with Welsh Government to support the recovery of the economy and maximise the benefits the construction industry provides in Wales. We make four key recommendations for Welsh Government to build on this. These are:

1. MAKE CONSTRUCTION A PRIORITY SECTOR IN COVID RECOVERY AND RECONSTRUCTION

Build on the positive announcements made in October about Covid reconstruction and ensure construction jobs and skills are at the heart of ongoing planning around housing, retrofit and transport developments. In particular, work with CITB on the element of the reconstruction package that is focused on reducing unemployment and developing people's skills or helping them acquire new ones and help for young people to catch up at college. This will help ensure that we are bringing in talent to the industry and providing opportunities for people to upskill to access sustainable jobs.

2. SUPPORT APPRENTICES TO COMPLETE THEIR TRAINING AND MINIMISE FALLING APPRENTICESHIP NUMBERS AFTER COVID

Build on existing commitments and incentives around support for recruiting apprentices. Work with employers, colleges and CITB (including through Wales Construction Forum) to understand how we can support employers to retain and recruit apprentices in the coming 12 to 18 months.

3. HELP GET MORE COLLEGE STUDENTS INTO CONSTRUCTION JOBS AND APPRENTICESHIPS

Improve the Welsh Government's learner destination data to get a better understanding of how many learners are moving from construction courses into construction careers. Work with Qualifications Wales and CITB to successfully implement the new construction qualification in September 2021 and to maximise work experience opportunities alongside full-time course attendance through sponsorship or endorsement arrangements.

4. PROVIDE CERTAINTY ON THE INFRASTRUCTURE AND HOUSING PIPELINE

Industry needs certainty on the pipeline of infrastructure and housing work. Welsh Government can do this by publishing a clear, funded, long-term pipeline of work and accelerating the work of the National Infrastructure Commission for Wales. CITB will work with government and industry to plan out the skills needed to deliver on these ambitions and reduce skills gaps.

