

Social Housing Supply

CITB Wales response

1. Introduction

- 1.1 With the overwhelming demand for social homes to be built at pace and scale and to the regulatory and quality requirements needed comes an equal demand on the skilled workforce needed to construct those homes.
- 1.2 The make-up of construction employers in Wales is largely made up of smaller SME businesses. These employers are likely to have a wide variety of work on their books, meaning social housing providers are in a virtual competition with a wide range of developers to access the skills required to meet the needs of their development programmes. The chart below demonstrates that within that spectrum of work, at 3%, social (public) housing represents a small proportion of the work industry undertakes.

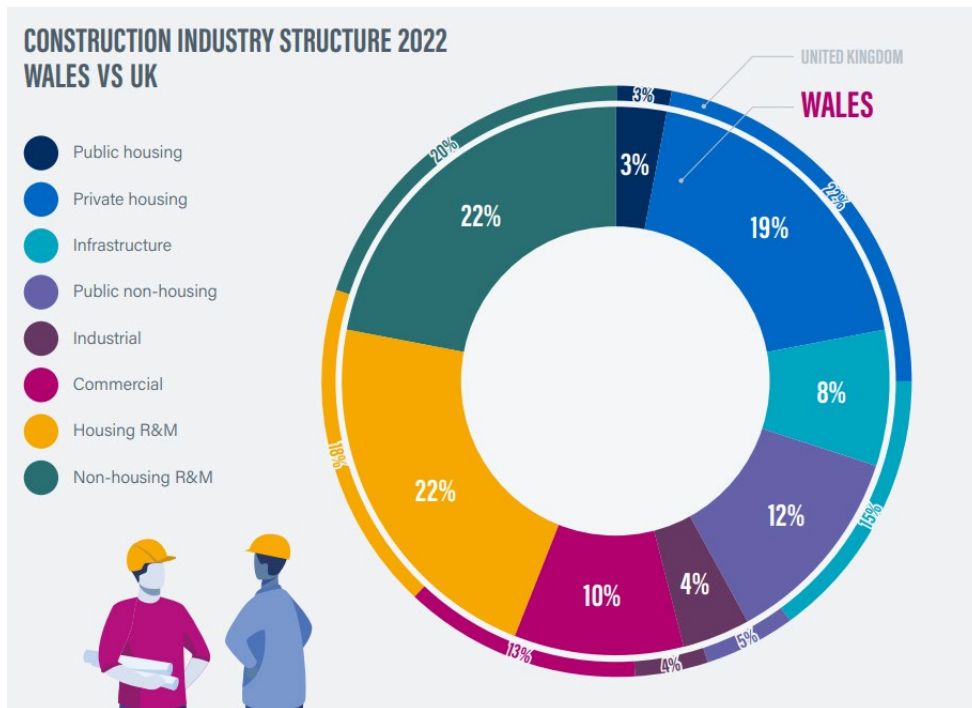


Chart 1. Structure of the Construction Industry in Wales

- 1.3 The construction industry is facing significant pressures in the operational environment, with cost increases for materials, components and parts having risen significantly in recent times. Pressures of this kind can undermine the ability of employers to invest in their workforce, attract new skilled employees and invest in existing workers, as the ability to provide workers with time off-site to undertake training becomes less feasible. Equally if the pipeline of work is less certain, their ability to take on apprentices thus increasing the pipeline of new skilled workers entering industry is impacted too.

1.4 Social housing providers are in a strong position to provide the operating conditions that construction employers are seeking. Although further work is needed to ensure industry is fully supported to meet the new requirements brought about by the new iteration of the Welsh Housing Quality Standard and WDQR 2021.

2. The nature of the Skills Gap

2.1 Our [Construction Skills Network \(CSN\)](#) Labour Market Intelligence Report places the state of construction skills sector in Wales into sharp context and aids an understanding of the continued progress and effort needed to build on the positive work already undertaken to sustain and develop the workforce required to service the supply of social homes.

2.2 The 111,500 construction workforce in place at the end of 2020 is estimated to have decreased very slightly to 110,800 in 2021, however, we are forecasting growth to 112,500 in 2022 before increasing to 116,300 by 2026.



Table 1. 3 month moving average of construction vacancies, Wales

2.3 When looking at the workforce and Annual Retention Rate (ARR) forecast it is important to note that in 2021, Wales, like other areas of the UK has seen a strong increase in construction job vacancies, with companies having difficulty in finding suitably skilled workers. This has led to skills shortages being reported over a range of occupations and wage rates increasing as companies look to attract workers. While there are indications of a drop in construction vacancies towards the end of 2021, levels are still higher than what was seen before the impact of Covid-19.

2.4 To tackle the immediate skills shortage and futureproof the workforce, government, employers and education/learning providers will need to consider some key actions, including creating the conditions to:

- Attract skilled workers who are already working elsewhere in the construction industry, although this moves existing workers around rather than meets overall need
- Attract skilled workers who have left the industry back into construction. This would be either those who have left to work in other industries or those that have become unemployed/inactive
- Attract and train new entrants into the workforce from those leaving school, further education, or higher education
- Improve the retention of workers within the industry
- Look at how productivity can be improved.

2.5 In recent years there have been several policy developments that provide support in addressing the existing shortfall. Including the work of the Lusher Review (Review of Vocational Qualifications in Wales) the creation of a GCSE and A-Level in Construction and the Built Environment and the launch of a degree apprenticeship programme for construction.

2.6 This will build on the work undertaken through the Further Education system to attract more people into industry and ensuring the learning infrastructure exists to train the construction workforce required to build new social homes and service the existing stock.

2.7 There are additional opportunities to further our understanding of how to maximise the success of learning programmes through capturing learner destination data based on where the (approx.) 14,000 learners find themselves six months post completing their learning programme.

3. Net Zero Homes skills requirements

3.1 With social housing being utilised in Wales as the testbed for more innovative methods of construction to find scalable solutions that provides the economies of scale required and meet the requirements set out in the new building standards it is key to consider the specific skills challenges within this context.

3.2 Our comprehensive research report on [Building Skills for Net Zero](#) draws on in-depth interviews with 48 industry stakeholders and a detailed survey of nearly 300 people. The aim of the research is to outline the skills implications for the workforce of governments' commitment to achieve net zero by 2050. We also used Climate Change Committee data on their balanced scenario to model which skills will be required and to what extent over the next 30 years, for Wales, based on proposed solutions to the decarbonisation problem.

3.3 Our modelling suggests that an additional 12,000 FTE workers will be needed in Wales by 2028, primarily to deliver improvements to existing buildings to reduce energy demand. That represents an increase of around 11% on the current size of the workforce in Wales. Based on current technologies and

ways of working, this has the potential to give thousands of people a valuable new career opportunity.

- 3.4 Within this we estimate that an additional 2,800 plumbers and HVAC workers will be required, primarily in the installation of heat pumps by 2028. The research also highlights that we require just over 2,500 project managers by the same date, this includes specific roles like Retrofit Coordinator. The demand for Building Envelope Specialists (which includes insulation installers) in Wales will be 900 in 2028.
- 3.5 Whilst technical expertise and understanding will remain important the value and role of softer skills linked to leadership and teamwork should not be undervalued. Tradespeople will need to further develop their skills in these areas to work more collaboratively alongside each other.
- 3.6 Our industry survey as part of this research found that three quarters of respondents to the survey highlighted above, across the UK say that decarbonisation was either important or very important to themselves or their company. Furthermore, 70% say they have a good or very good understanding of how they will need to change their business because of the need to decarbonise, with a high proportion, 88%, saying they would be willing to diversify and 90% would retrain if necessary.
- 3.7 Whilst this shows a willingness in industry to adapt to the net zero future, the need to start that process of adaptation now is clear. More than three quarters (78%) of those we spoke to believe there will be a shortage of skills in their specific occupation when it comes to decarbonisation work. The most regularly cited reasons for the absence of appropriate skills in specific roles were lack of training, lack of funding for training, regulatory changes, and an absence of agreed standards in that occupation.

4. Growing the construction skills pipeline

- 4.1 Whilst there is a consistent need to focus on creating the conditions required to increase the uptake of construction apprenticeships, create new routes to enter industry and make productivity gains in the methods adopted across all trades; diversification is a key strand in the wider consideration of growing the talent pool which industry can draw from.
- 4.2 Our [‘Best Practice Review: employment pathways into the construction industry for underrepresented groups’](#) highlighted why developing inclusive pathways are so important to a range of groups in society who may face barriers, including:
 - Women entering the workforce are likely to face a number of specific barriers to employment arising from caring responsibilities and hostile organisational cultures.

- People not in education, employment or training (NEET) are likely to face a range of socioeconomic and individual barriers to employment that must be addressed by any NEET-focused pathway. These barriers should be identified during a comprehensive initial assessment process, and individual NEETs should be provided with extensive wrap around support with any soft skills training tailored to their specific needs.
 - Jobseekers from ethnic minority backgrounds may experience a wide range of barriers to employment, such is the heterogeneous nature of this group, although they are particularly likely to lack formal qualifications and to experience discrimination as a result of exclusive organisational cultures.
- 4.3 The practice review stresses the importance of acknowledging barriers to employment; pathways that priorities technical skills alongside opportunities for personal growth; training which builds technical expertise alongside recognised qualifications; and maintaining a consistent emphasis on positive employment outcomes.
- 4.4 At CITB we support a range of initiatives aimed at addressing and helping people overcome the barriers they may face in considering and accessing sustainable employment within the construction industry. These include:
- *Fairness, Inclusion and Respect (FIR) Programme* - an industry-wide initiative that aims to make workplaces better for everyone. The programme provides free, industry-endorsed training and resources, guidance and materials, that supports businesses to be more innovative and profitable by addressing workplace culture challenges and helps attract and retain people from the full pool of talent.
 - *Go Construct STEM Ambassadors* - CITB has partnered with the STEM Ambassador programme, creating an industry specific scheme to inspire the next generation of construction workers. Ambassadors often provide the first introduction to the construction industry, delivering a life-changing impact on future career decisions. They engage with young people across the UK, from schools and workplaces to careers fairs and events, sharing the fantastic opportunities available in the industry.
 - *Industry Insight Days* – Each year CITB supports activity for National Apprenticeship Week, International Women’s Day and Open Doors (an initiative that provides an opportunity for people to see an active construction site) and SkillBuild competitions at both a regional and national level. These provide invaluable opportunities to showcase the wide variety of people who work in the industry and the breadth of career on offer to prospective new entrants and career changers.

