
CONSTRUCTION SKILLS NETWORK

FOCUSING ON THE SKILLS CONSTRUCTION NEEDS.

**LABOUR MARKET
INTELLIGENCE REPORT**

**YORKSHIRE &
THE HUMBER
2024-2028**



KEY FACTS AND FIGURES



The volume of construction work in Yorkshire & the Humber will grow by an annual average rate of

2.2%¹



The biggest gains in output will come from these sectors:

REPAIR & MAINTENANCE

PUBLIC NON-HOUSING

INFRASTRUCTURE



¹ Five year growth rate from the end of 2023 to end of 2028



The occupations with the strongest additional recruitment requirement levels are:

Other construction professionals and technical staff working in construction
Non-construction professional, technical, IT and other office-based staff
Directors, executives and senior managers

Main projects in Yorkshire & the Humber include:

A converter station at Drax for the Eastern Green Link 2 (EGL2) "electricity superhighway"

£2bn

Cirrus Point, in Leeds which will be the largest student accommodation building in the world at

45-storeys

YORKSHIRE & THE HUMBER



The additional recruitment requirement in Yorkshire & the Humber of 2.6% per year is higher than the UK value of 1.9% and means an extra 26,600 workers will be needed in the region from 2024 to 2028. ■



UK MACROECONOMIC BACKDROP

UK GDP in 2023 is estimated to have increased by only 0.1% compared with 2022 as the economy went into a mild recession in the second half of 2023, with two consecutive quarters of contraction (-0.1% in 2023Q3 and -0.3% in 2023Q4).

There are strong signs that the recession isn't likely to continue into 2024 with monthly GDP data showing a 0.2% rise in January.

February's UK Purchasing Managers' Index (PMI) adds to evidence that economic activity is improving with the composite index recording a fourth consecutive month of expanding activity and confidence.

The index registered 53.0 in February, marginally above the 52.9 reading for January. The service sector was the main driver within the composite index following another month of expanding business activity, and a confirmed services PMI reading of 53.8 in February.

There was an improvement in the construction sector PMI registering 49.7 in February, up from 48.8 in January on the back of new business growth and a pick-up in order books, which was the first rise reported since July 2023. Unfortunately, the manufacturing sector continues to struggle, reporting a nineteenth consecutive PMI reading below 50.0 at 47.5 in February.

Consumer confidence had been trending upwards in recent months, adding to the picture of improving economic activity. However, GfK's consumer confidence index headline score of -21 in February, was slightly down from -19 in January, marking the first fall in four months and highlighting

how the recent mix of economic news is affecting consumer confidence. The reduction in inflation will be a factor in helping consumer confidence. In February 2024, monthly Consumer Price Inflation, including housing costs (CPIH) was 3.8%, significantly down from 9.2% in February 2023, with expectation of further drops to come due to falling energy bills. Looking forward, we expect inflation to continue to drop as we progress through 2024, reaching the Bank of England's 2.0% target by the middle of the year.

ALTHOUGH THERE ARE POSITIVE SIGNS OF ECONOMIC GROWTH, THE WIDESPREAD VIEW IS THAT IT WILL BE 2025 BEFORE THE PACE PICKS UP

The number of vacancies being advertised continues to reduce, having peaked at 1.3million in the first half of 2022, there are now just over 900,000 (Dec 2023–Feb 2024). While this is a sign that the labour market appears to be cooling, vacancy levels are still higher than those seen in 2019/2020 before the pandemic, where there were around 820,000 vacancies. Slowing wage growth is another indicator of a generally cooling labour market, however, there is still an unusual tightness in the labour market that

is creating upwards pressure on wages. The employment rate for 16-64 years olds remains around 75%, with unemployment staying low at 3.9%, while inactivity is relatively high as 21.8%. The inactivity level means approximately 9.2 million people are absent from the labour force, which is 700,000 more than pre-pandemic levels, with long-term illness being one of the main reasons.

Although there are positive signs of economic growth, the widespread view is that it will be 2025 before the pace picks up. The economic outlook published by the Office for Budget Responsibility (OBR) in March 2024 forecasts GDP growth to pick up by 0.8% in 2024, increasing to around 2.0% in 2026, then settling down to around 1.8% in 2027 and 2028. While the outlook for the UK economy in 2024 is improving, we are not yet in a position of strong economic growth.

Recruiting and developing the workforce for the future is still a key challenge for the industry to overcome and make the most of the growth opportunities such as building the volume of homes the country needs, the infrastructure for energy and transport, and retrofitting the built environment to meet net zero targets. ■

STRUCTURE



The construction industry in Yorkshire & the Humber has 14,570 employers, which is 13% of all employers in the region.

Non-housing repair and maintenance sector:

26%

In 2023 the industry in Yorkshire & the Humber is estimated to have total output of around £15.7bn which is structured as per Figure 1 (below).

The profile of the construction industry in Yorkshire & the Humber continues to show a high share of non-housing repair and maintenance (R&M) work, which is the strongest sector in the region, accounting for 26% of total work.

Housing R&M follows at 18%, and combined, R&M sectors account for 44% of total 2023 output. In the new work, infrastructure and private housing remain the two main sectors. ■

CONSTRUCTION INDUSTRY STRUCTURE 2023 YORKSHIRE & THE HUMBER

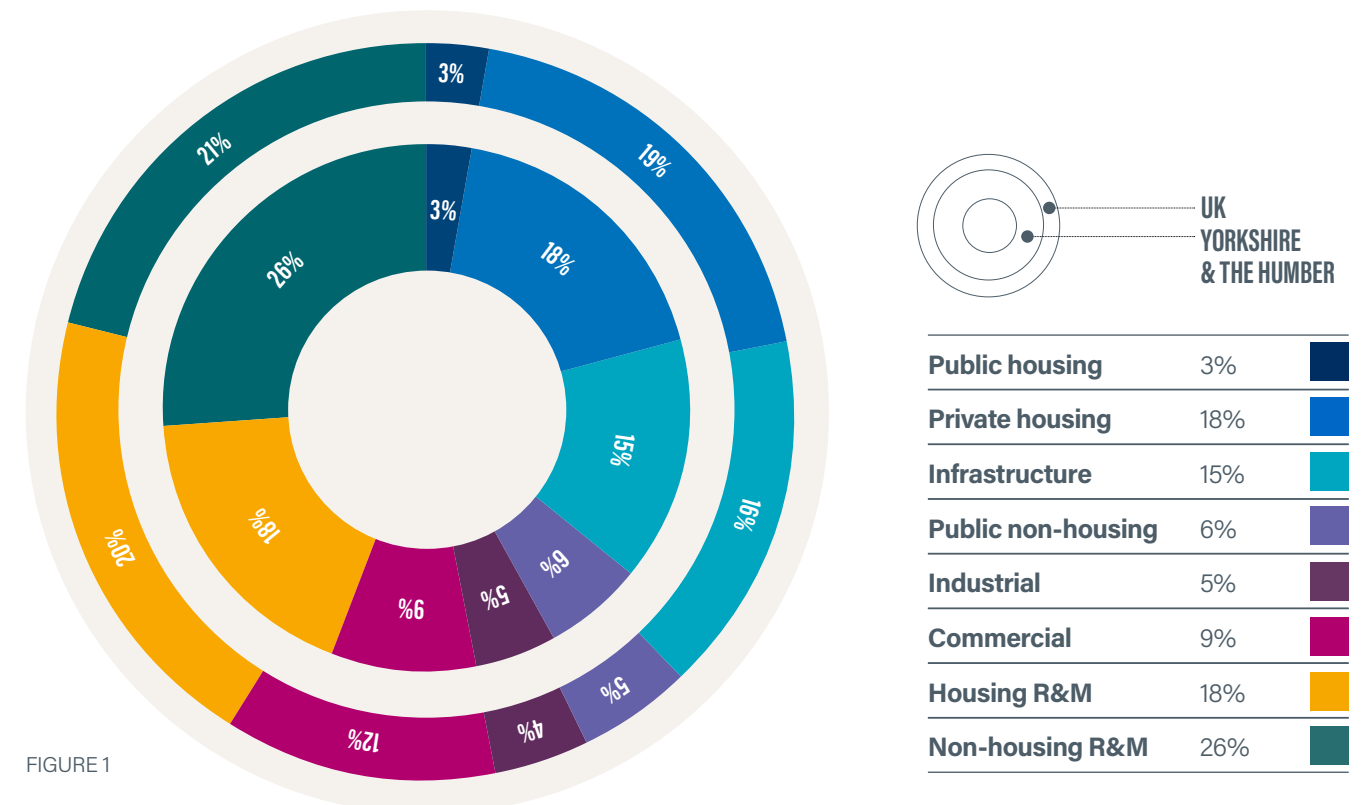



FIGURE 1


2023 VIEW


Total annual output 2023: 
£15.7bn




Growth in non-housing R&M: 
£500m

2022 saw strong output growth in Yorkshire & the Humber, which continued into 2023. 

Output increased by over 8% in the region, which is above the UK figure of 2%, putting the value of output in the region at a new high point of over £15.7bn. 

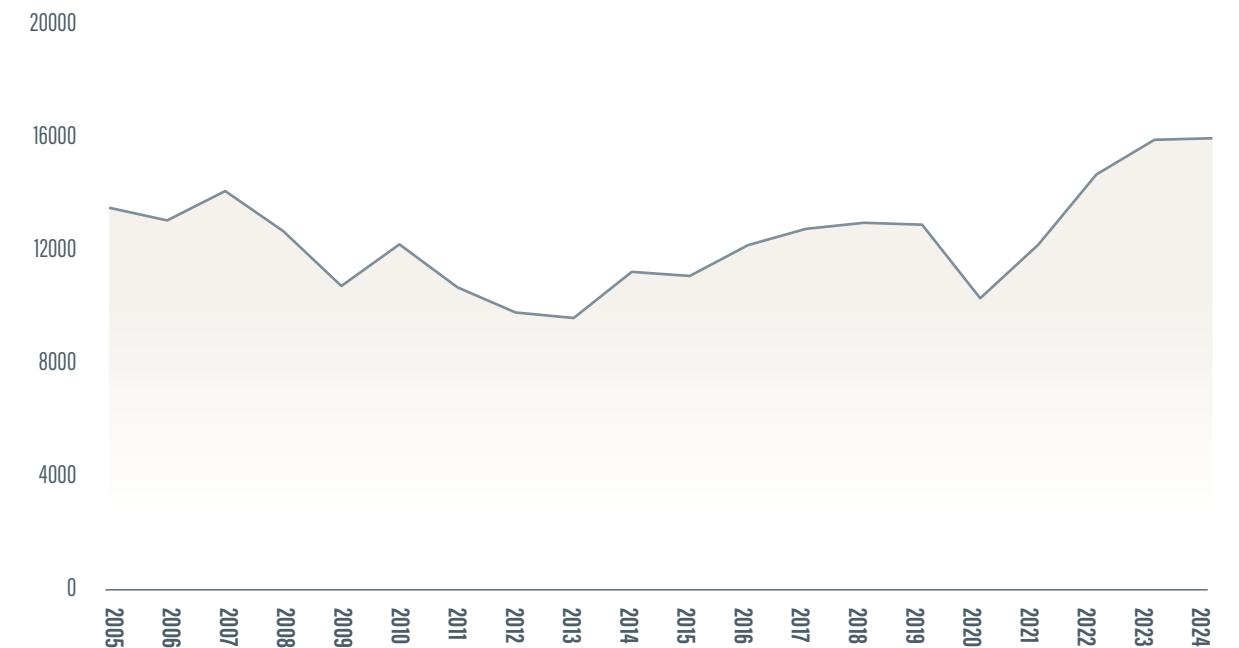
Growth was mainly due to an increase in non-housing R&M work, which increased by over £500m. Other noticeable increases in the public non-housing, commercial and infrastructure sectors. 

With a downturn in the housing market, the private housing sector saw output drop by nearly 14%, similar to the rest of the UK. 

Going into 2024, we expect output in Yorkshire & the Humber to slow down, though not to decline, with growth of around 0.3%. 

CONSTRUCTION OUTPUT (£M) 2005-2024 YORKSHIRE & THE HUMBER
FIGURE 2

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



OUTPUT FORECAST 2024-2028

Yorkshire & the Humber has an average annual output growth rate of 2.2%, which is just below the UK rate of 2.4%. Over the forecast we are expecting new work and R&M to have a similar average growth rate. But the profiles are different. New work will dip in 2024, before picking back up in 2025, whereas R&M will build on its

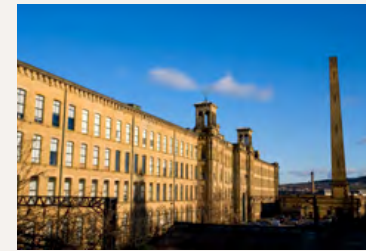
recent strong performance in 2024 before slowing down over the forecast. This is the same pattern we expect to see across the UK.

The sectors with the highest growth rates are infrastructure (3.7%) and public non-housing (3.6%), non-housing R&M sector

will generate the main gains, with an increase of £1.1bn in output value over the next five years. Having grown strongly in recent years, industrial output looks set to level off. 2024 is likely to be another tough year for private housing output before work picks back up from 2025. ■

FORECAST

There are a number of significant projects driving the forecast in the region. Public non-housing work is being supported by **a new £400m prison being built at Full-Sutton and plans for a new Airedale General Hospital to be built before 2030** are part of **£1.7bn programme of work to improve health care in the region.**



Average growth rate for Yorkshire & the Humber:

2.2%



Development of 275 student beds in York:

£50m

For infrastructure work, Drax has received development consent from the government to build the world's largest carbon capture facility at its North Yorkshire power station. The Bioenergy with Carbon Capture and Storage (BECCS) project will involve installing plant to capture carbon dioxide emissions from two existing biomass units. Drax has also been chosen for the location to build a converter station for the planned £2bn Eastern Green Link 2 (EGL2) "electricity superhighway" connection between Aberdeenshire and North Yorkshire. Described by National Grid

as the UK's largest ever electricity-transmission project. In addition to these two major projects there are plans for the West Yorkshire mass transit system linking Leeds, Bradford Cleckheaton, Heckmondwike and Dewsbury; £100m Leeds & Bradford Airport re-generation and terminal extension; and £360 million Yorkshire Highways and transportation framework.

In the housing sector, Unity Way is a development covering an area of 618 acres in Doncaster, South Yorkshire, providing over 3,000 new homes in a

broad range of settings along with 210 acres dedicated to a variety of new commercial uses. Leeds, Whitehall Riverside development has plans for 500 new homes, and the plans to build 1,300 new homes on the site of Ripon Barracks have been approved.

Student housing in the region is also set to get a boost with Cirrus Point, 660 bed scheme in Leeds due to start. It will be the largest student accommodation building in the world at 45-storeys. There will also be a £50m development of 275 student beds in York. ■

CONSTRUCTION OUTPUT – YORKSHIRE & THE HUMBER (£ MILLION, 2019 PRICES)

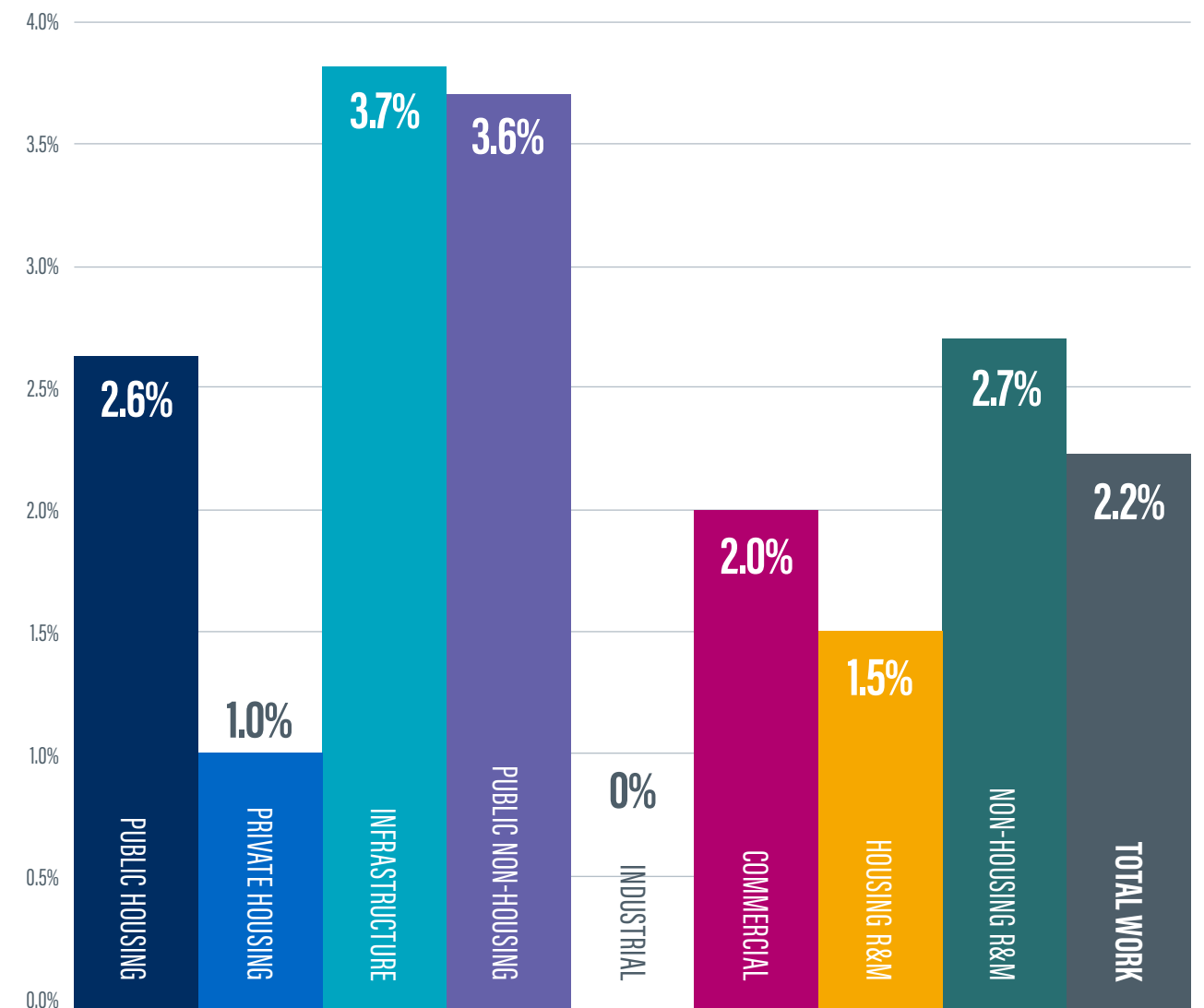
FIGURE 3

	ACTUAL LEVEL	FORECAST ANNUAL % CHANGE					ANNUAL AVERAGE	
		2023	2024	2025	2026	2027		2028
Public housing	465	0.6%	2.9%	3.1%	3.2%	3.2%	3.2%	2.6%
Private housing	2,761	-8.0%	9.5%	1.3%	1.6%	1.5%	1.5%	1.0%
Infrastructure	2,401	-0.6%	4.6%	5.1%	4.8%	5.0%	5.0%	3.7%
Public non-housing	966	2.0%	5.3%	4.0%	3.6%	3.3%	3.3%	3.6%
Industrial	721	-6.6%	1.5%	2.2%	1.7%	1.3%	1.3%	0.0%
Commercial	1,481	-0.2%	2.7%	2.6%	2.4%	2.3%	2.3%	2.0%
New work	8,793	-3.0%	5.5%	3.0%	2.9%	2.9%	2.9%	2.2%
Housing R&M	2,884	2.2%	2.1%	1.2%	1.0%	0.9%	0.9%	1.5%
Non-housing R&M	4,068	6.3%	1.5%	2.1%	2.0%	1.6%	1.6%	2.7%
Total R&M	6,952	4.6%	1.7%	1.7%	1.6%	1.3%	1.3%	2.2%
Total work	15,746	0.3%	3.7%	2.5%	2.3%	2.2%	2.2%	2.2%

ANNUAL AVERAGE CONSTRUCTION OUTPUT GROWTH 2024-2028 YORKSHIRE & THE HUMBER

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

FIGURE 4



WORKFORCE FORECAST²

Average annual increase of construction workforce: **0.8%**

The level of output growth in Yorkshire & the Humber gives an annual average increase of 0.8% in the construction workforce, which is higher than the UK figure of 0.6%.

We forecast that the 2023 workforce of 202,380 in the region will decrease slightly to 201,730 in 2024 before increasing to reach 210,680 by 2028. This is the same pattern seen across the UK with the construction workforce reducing in 2023 and 2024³.

FIGURE 5

TOTAL EMPLOYMENT BY OCCUPATION — YORKSHIRE & THE HUMBER	ACTUAL 2023	ESTIMATE 2024	FORECAST 2028
Directors, executives and senior managers	14,310	14,660	15,940
Construction project managers	3,220	3,300	3,580
Non-construction professional and technical office based staff	18,700	18,620	19,490
Other non-construction office-based staff	15,680	16,410	17,650
Construction trades supervisors	4,130	4,140	4,450
Carpenters and joiners	13,800	13,770	14,540
Bricklayers and masons	5,440	5,340	5,560
Other construction and building trades	13,450	13,300	13,700
Painters and decorators	5,600	5,370	5,430
Plasterers	5,740	5,570	5,610
Roofers	3,580	3,690	3,960
Floorers and wall tilers	2,830	2,730	2,800
Glaziers and window trades	4,320	4,140	4,050
Scaffolders	1,180	1,260	1,410
Plant operatives	2,590	2,660	2,840
Plant mechanics/fitters	3,280	3,440	3,950
Steel erectors and metal workers	1,230	1,190	1,160
Labourers	10,030	9,820	10,050
Groundworkers	2,000	2,030	2,220
Electrical installation trades	16,040	15,580	15,730
Plumbing and HVAC trades	10,130	10,560	11,520
Logistics	4,810	4,690	4,810
Road and rail construction operatives	900	960	1,140
Non-construction trades and operatives	3,170	2,970	2,850
Total (SIC 41-43)	166,160	166,200	174,440
Civil engineers	5,200	5,250	5,560
Other professionals and technical staff working in construction	22,820	22,070	22,030
Architects	1,630	1,740	1,950
Surveyors	6,580	6,470	6,680
Total (SIC 41-43, 71.1, 74.9)	202,380	201,730	210,680

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

² workforce covers construction contracting, SIC 41, 42 & 43 along with supporting technical and professional workers in SIC 71 and 74.9.

³ The 28 occupational groups used in the report have been updated to align with the new Standard Occupational Classification: SOC(2020). Full details are covered in accompanying Technical Annex.

ANNUAL RECRUITMENT REQUIREMENT (ARR)



The average annual recruitment requirement in Yorkshire & the Humber is set to average

2.6% PER YEAR

based on 2023 workforce levels, which is higher than the UK figure of 1.9%. This means the construction industry would have to increase current recruitment by 5,320 new workers each year to deliver the expected work between the start of 2024 and end of 2028.

The following occupations have some of the strongest recruitment requirement values:

- Other construction professionals and technical staff working in construction (1,620 per year)
- Non-construction professional, technical, IT and other office-based staff (1,080 per year)
- Directors, executives and senior managers (790 per year)

There will be pressure on occupations such as other construction professionals and technical staff (7.1%), road and rail construction operatives (6.7%), steel erectors and metal workers (4.9%) and plant operatives (4.6%) where demand is high compared to their workforce level.

For occupations that have no ARR value on the table, indication is that recent levels of recruitment will be able to meet future need if they are maintained.

FIGURE 6

ANNUAL RECRUITMENT REQUIREMENT BY OCCUPATION — YORKSHIRE & THE HUMBER	% OF 2023 WORKFORCE	VALUE
Directors, executives and senior managers	5.5%	790
Construction project managers	2.2%	70
Non-construction professional and technical office based staff	5.8%	1,080
Other non-construction office-based staff	1.5%	230
Construction trades supervisors	4.4%	180
Carpenters and joiners	0.5%	70
Bricklayers and masons	1.7%	90
Other construction and building trades	-	<50
Painters and decorators	-	-
Plasterers	3.0%	170
Roofers	3.1%	110
Floorers and wall tilers	-	-
Glaziers and window trades	-	-
Scaffolders	-	-
Plant operatives	4.6%	120
Plant mechanics/fitters	3.4%	110
Steel erectors and metal workers	4.9%	60
Labourers	0.6%	60
Groundworkers	-	-
Electrical installation trades	1.2%	200
Plumbing and HVAC trades	-	-
Logistics	1.5%	70
Road and rail construction operatives	6.7%	60
Non-construction trades and operatives	-	-
Civil engineers	1.7%	90
Other professionals and technical staff working in construction	7.1%	1,620
Architects	-	<50
Surveyors	2.1%	140
Total (SIC 41-43, 71.1, 74.9)	2.6%	5,320

Source: ONS, CSN, Experian. ONS: "This work contains statistical data from ONS which is Crown Copyright. The use of the ONS statistical data in this work does not imply the endorsement of the ONS in relation to the interpretation or analysis of the statistical data. This work uses research datasets which may not exactly reproduce National Statistics aggregates." ref. CSN Explained, Section 4, Notes 5 and 6.

RECRUITMENT AND TRAINING

Construction job vacancies in Yorkshire & the Humber remain at about 50% higher than pre-covid (2019) levels.

50%



The current level of recruitment in the region's construction industry has been around 15,000 workers joining, and around 16,000 workers leaving per year.

This gives a slight outflow of workers and helps to explain why the workforce levels have dipped in recent years.

For the industry to meet expected demand in the region, the forecast shows that recruitment would have to increase by the equivalent of 5,320 workers per year. This is important to understand because there is a still a relatively high level of construction vacancies in Yorkshire & the Humber that need filling going into 2024.

Figure 7 shows how construction job vacancies in Yorkshire & the Humber have remained above the UK trend in recent months, and they are still about 50% higher than pre-covid (2019) levels.

Construction workers are still in demand and relatively low levels of unemployment leads to competition for workers. To fill vacancies and recruit new staff, companies can:

- 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 or inactive.
- Recruit and train new entrants into construction from those leaving school, further education, higher education or migration.
- Improve the retention of workers within the industry.
- Look at how productivity can be improved.

Companies that can understand and meet what workers value the most are the ones that are more likely to be

successful at attracting and retaining new staff. That could range from being able to offer long-term career opportunities with support to help development, through to good levels of pay, flexible working to have a positive work life balance and creating a culture of fairness, inclusion, and respect.

Training is an important aspect of staff development and recent trends are not positive for construction.

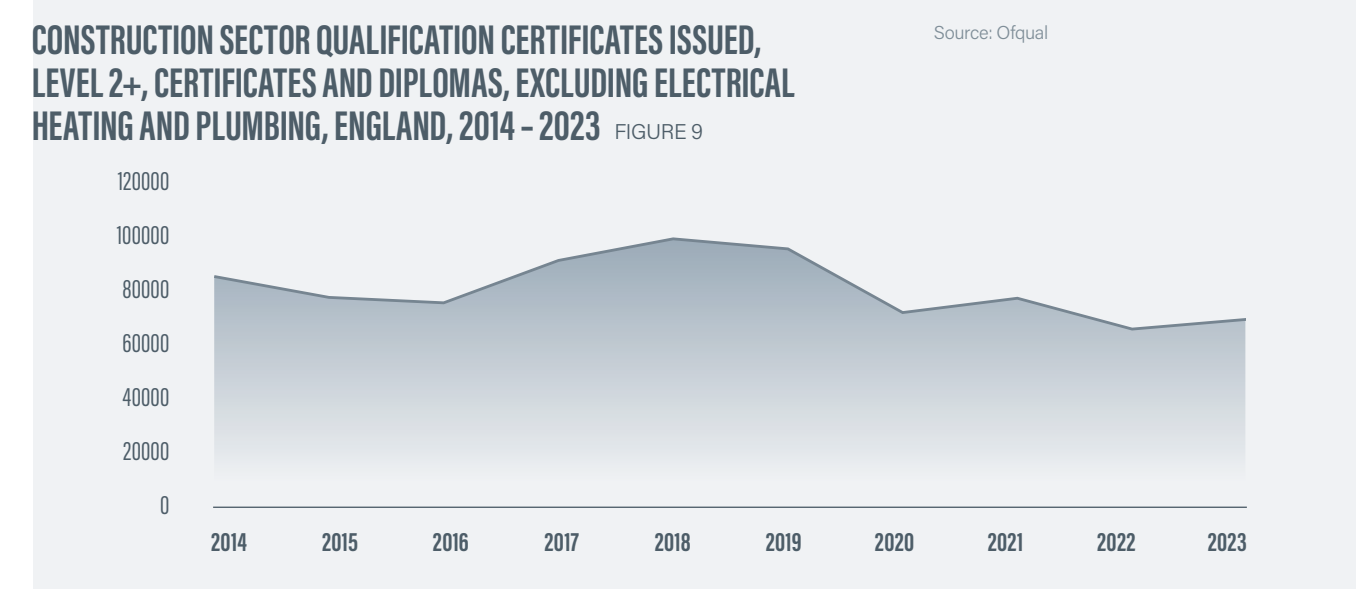
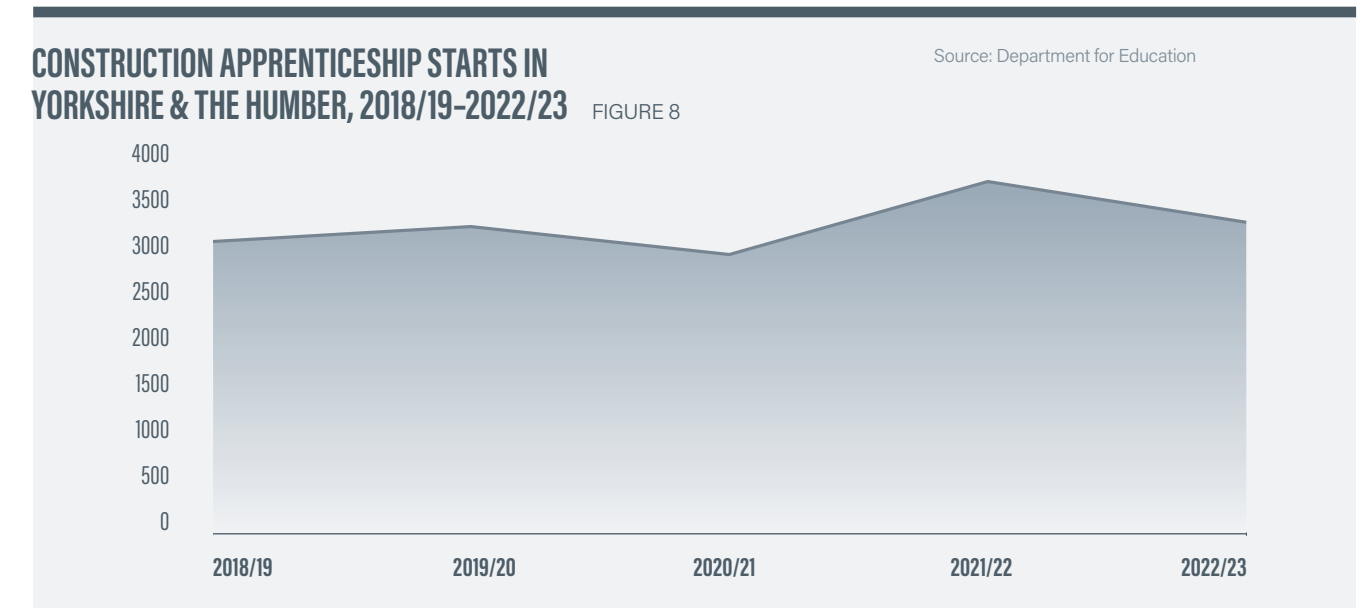
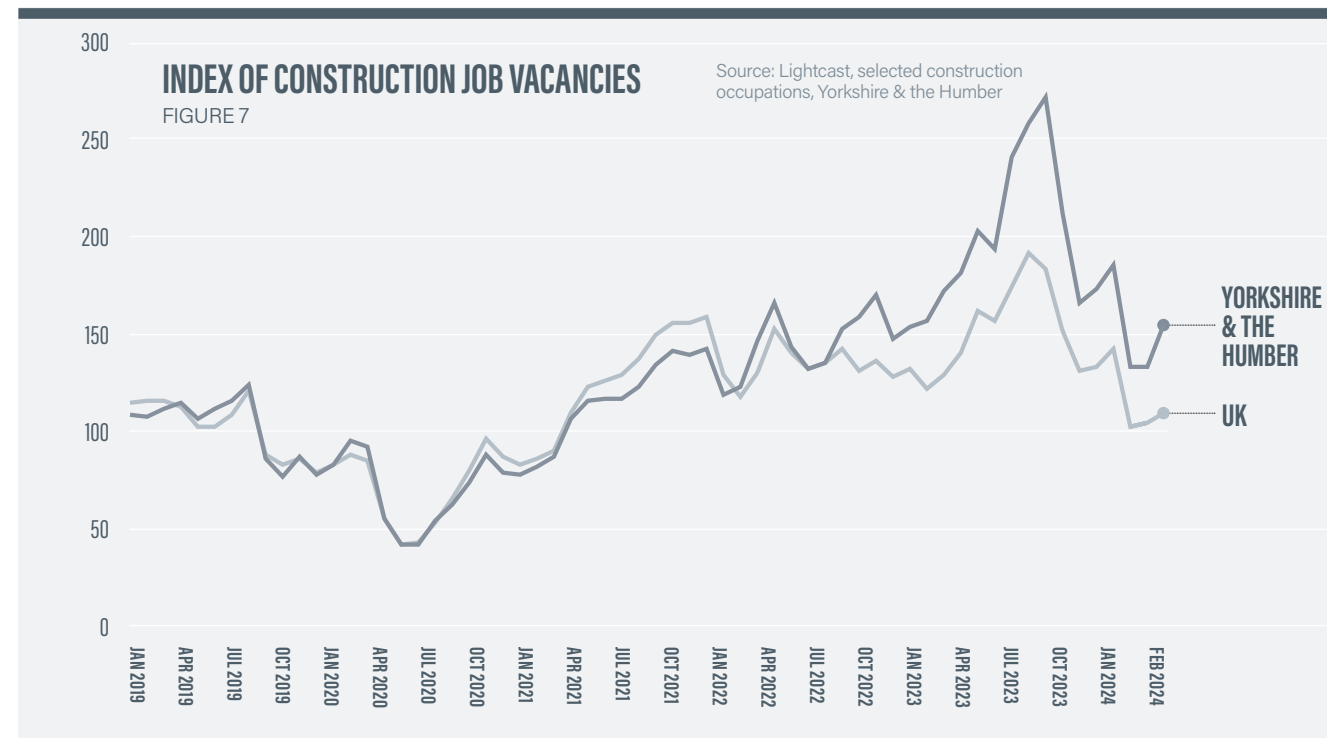
Figure 8 on the right shows construction apprenticeship starts in Yorkshire & the Humber picking up strongly after Covid-19 lockdown, ending the 2021/22 academic year 26% up on 2020/21, however, they dropped in 2022/23 by 12%. Indications are that 2023/24 will see a further drop in starts as half year numbers are down 5% compared to the same point in 2022/23. ■

Looking at the range of construction training achieved across England at Level 2 and above, there is a similar pattern. From 2014–2016 there was a decline in certificates issued, which then increased from 2017–2019, with the main qualifications being related to plant operations, site carpentry and brickwork. 2020 saw a decrease

in the number of certificates being issued, which hasn't really increased (see Figure 9).

- 2014–2016: average of 80,000 certificates per year
- 2017–2019: average of 95,000 certificates per year
- 2020–2023: average of 72,000 certificates per year

At a time when the construction industry needs additional workers, a drop in training being carried out will add to the challenges being faced by companies, and it is important for this to be addressed. ■



CITB SUPPORT TO INDUSTRY



As employers are struggling to find workers, CITB will support the construction industry by investing in three priority areas:

■ **Inform and enable diverse and skilled people into construction:**

by raising the profile of construction careers through activities such as Go Construct, Skillbuild, and STEM Ambassadors. Supporting people into the industry through work experience and Tasters, Apprenticeships, the New Entrant Support Team, and Onsite Experience hubs, and providing funding to support the cost of training new entrants.

■ **Develop a training and skills system to meet current and future needs:**

updating standards, to ensure training delivers the skills industry needs, working with industry to develop a competence-based skills system that will provide more flexible routes in, and working with governments to influence apprenticeships on industry's behalf.

■ **Support the industry to train and develop its workforce:** this is imperative to meet the skills needs of industry. Employers have told us they are looking to upskill their workforce to fill gaps, and core occupational training needs to be delivered efficiently. To make this work, CITB will develop and test a new Training Needs Analysis service, to help small businesses make informed decisions about the training they need. CITB will also provide financial incentives to help businesses to do more training and work with providers to identify gaps in supply so that good quality training is available when and where it's needed. ■

CITB WILL DEVELOP AND TEST A NEW TRAINING NEEDS ANALYSIS SERVICE, TO HELP SMALL BUSINESSES MAKE INFORMED DECISIONS ABOUT THE TRAINING THEY NEED.



CITB SUPPORT TO YORKSHIRE & THE HUMBER



In Yorkshire & the Humber CITB will:

■ **Improve regional activity of Ambassadors:**

Promote and train Construction STEM Ambassadors with employers, to be the voice of industry and to provide support for schools, Colleges, Universities & training providers to promote construction as a positive career opportunity. This activity will drive more career insight and talks in the region and support Taster activity to help recruit new workers.

■ **Recruitment Expo:**

Create and deliver a Recruitment Expo with the Leeds College of Building to better support employers to find future employees directly from colleges. This will demonstrate how industry can partner with and benefit from regular contact with college students and teachers to create a tailored recruitment process. This project is about making sure employers can align their careers activity with their local colleges to support the needs of their business.

■ **College and Training Provider Engagement**

Engage with all Further Education Colleges across Yorkshire & the Humber that offer construction training programmes to make sure that they meet local needs and are valued by employers. This will involve using the Adult Education budget to improve skills gaps as well as maximise Bootcamp activity in the region, building a platform for CITB's provider network activity.

Overcoming skills shortages by supporting training and recruitment in a more competitive labour market requires combined action from CITB, construction companies, training providers and government. Having a workforce that is competent and trained to make the most of the future opportunities is vital to ensuring Yorkshire & the Humber has the volume of energy efficient homes it needs, the infrastructure to ensure the economy thrives, and to tackle the retrofit of the built environment to meet net zero targets. As the report sets out, annually the construction industry will continue to support over 200,000 workers and contribute nearly £16bn worth of output from an industry that accounts for 13% of all businesses that employ people in the region. ■



Annually the construction industry will continue to support

200k+ WORKERS



YORKSHIRE & THE HUMBER

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