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CONSTRUCTION SKILLS NETWORK

# FOCUSING ON THE SKILLS CONSTRUCTION NEEDS.

LABOUR MARKET  
INTELLIGENCE REPORT

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**EAST OF ENGLAND**  
2024-2028



# KEY FACTS AND FIGURES



The volume of construction work in the East of England will grow by an annual average rate of

# 2.9%<sup>1</sup>



The biggest gains in output will come from these sectors:

## HOUSING REPAIR & MAINTENANCE

## NON-HOUSING REPAIR & MAINTENANCE

## INFRASTRUCTURE



<sup>1</sup> Five year growth rate from the end of 2023 to end of 2028



The occupations with the strongest additional recruitment requirement levels are:

### Non-construction professional and technical office based staff

### Other professionals and technical staff working in construction

### Directors, executives and senior managers

Main projects in the East of England include:

## £8.2bn

Lower Thames Crossing Project

## £900m

Elevate Quarter, Stevenage

# EAST OF ENGLAND



## The additional recruitment requirement in the East of England of 1.6% per year is lower than the UK value of 1.9% and means an extra 19,750 workers will be needed in the region from 2024 to 2028. ■



# UK MACROECONOMIC BACKDROP

In 2023, UK GDP 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 year olds remains around 75%, with unemployment staying low at 3.9%, while inactivity is relatively high at 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 the East of England has 23,460 employers, which is almost 17% of all employers in the region.

Non-housing R&M:

# 28%

In 2023 the industry in the East of England is estimated to have total output of around £18.5bn, which is structured as per Figure 1 (below).

The profile of the construction industry in East of England continues to have a high share of non-housing repair and maintenance (R&M) work, which is the strongest sector in the region, accounting for 28% of total work.

Housing R&M follows at 26%, and so combined, R&M sectors account for 54% of total 2023 output. In the new work, infrastructure and private housing remain the two main sectors. ■

## CONSTRUCTION INDUSTRY STRUCTURE 2023 EAST OF ENGLAND

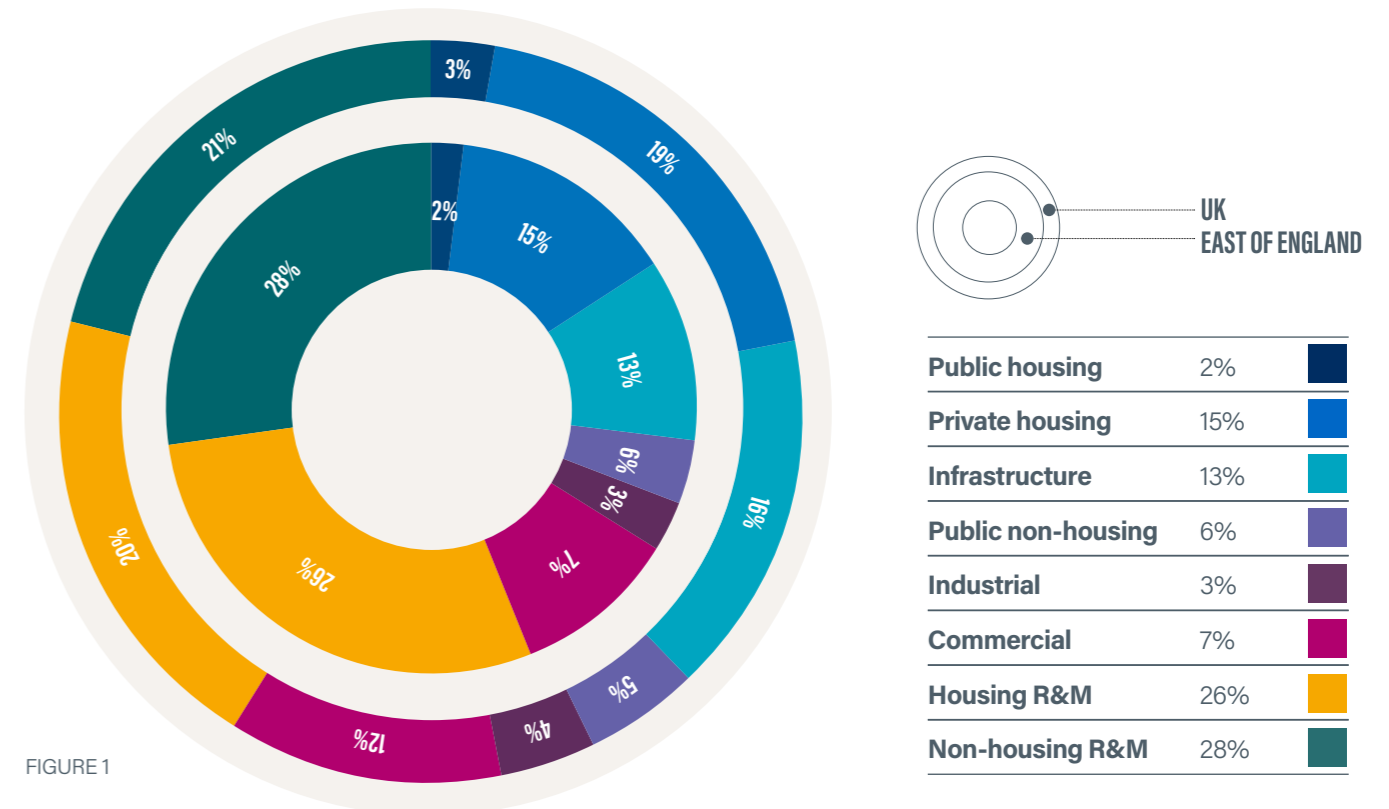


FIGURE 1

# 2023 VIEW

Total annual output 2023:   
**£18.5bn**




Growth in R&M sectors:   
**£950m**

2022 saw strong output growth in the East of England, an increase of 7% to nearly £19bn, which was slightly above the UK rate of growth. 

UK construction output continued to grow by 2% in 2023, while output in the East of England dropped by -2.7%, ending the year at £18.5bn. 

This was mainly due to new work output dropping, with commercial (-£660m) and industrial (-£210m) seeing the largest falls. 

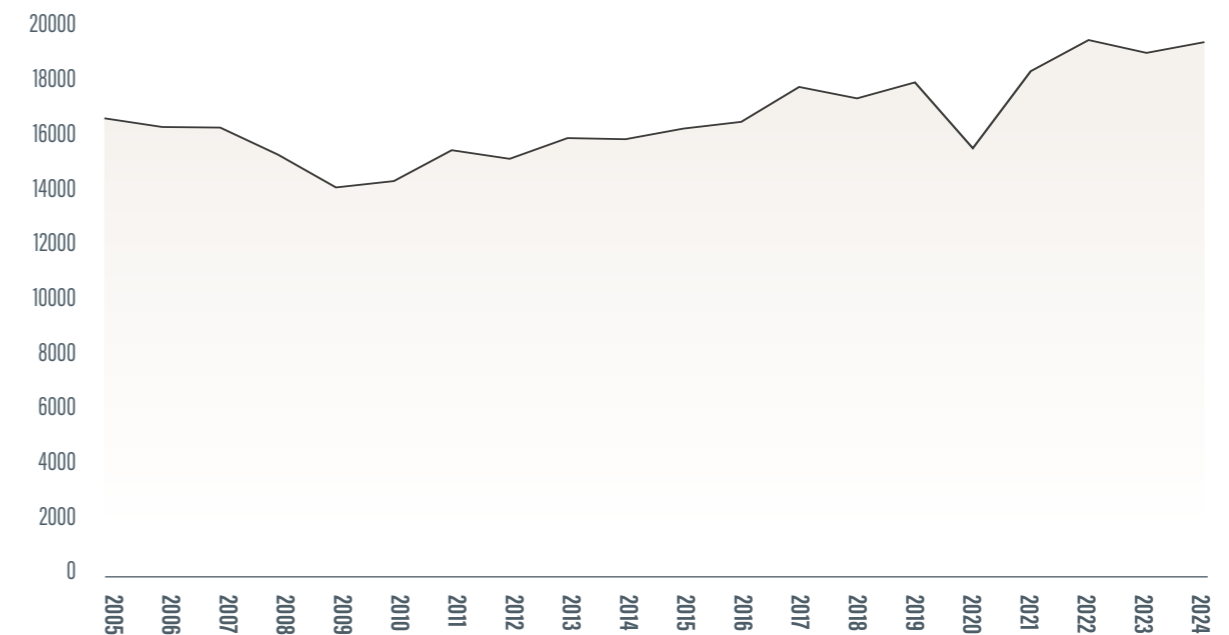
The R&M sectors saw growth of around 10% in 2023, contributing almost £950m in output. 

Going into 2024, we expect output growth of 2.3% in the East of England, this is mainly due to forecasted growth in the R&M sectors combined with continued growth in infrastructure over the next five years. 

CONSTRUCTION OUTPUT (£M) 2005-2024 EAST OF ENGLAND

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

FIGURE 2



### OUTPUT FORECAST 2024-2028

East of England has an average annual output growth rate of 2.9%, which is above 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 sector with the highest growth rate is public non-housing (4.2%) however, it is both housing R&M and non-housing R&M that will generate

the main gains. Infrastructure work will see only marginal growth in 2024 but this picks back up from 2025, the region having a growth rate of 3.6% over the forecast period. ■

# FORECAST

The private housing sector in the East of England will benefit from the £300m Brightwell Lakes development in Martlesham Heath in Suffolk which has already commenced work. The project is set to deliver 2,000 new homes, including 500 affordable homes for rent or shared ownership.



Brightwell Lakes:

£300m



Life sciences hub in Stevenage:

£900m

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Elevate Quarter, a £900m life sciences hub is planned for Stevenage, the scheme will create a mixed use neighbourhood including retail, restaurants and laboratory space. The first phase is targeted for completion at the end of 2025.

The public non-residential sector could benefit from West Suffolk NHS Foundation Trust plans to build a major new hospital in Bury St Edmunds as part of the government's "New Hospital Programme".

In January 2024, the development consent order for the Sizewell C nuclear plant was obtained, enabling the building of supporting infrastructure to begin, with the final investment decision expected later this year.

The Lower Thames Crossing Point project was opened for tender by

Highways England. The £8.2bn package of work has been split into tunnels and systems and includes roads north of the Thames in Essex and roads in Kent.

Further infrastructure works in the region include an upgrade to a 3 mile stretch of the A47 between Blofield and North Burlingham costing approximately £100m. The works involve replacing the existing single-lane section with a new two-lane dual carriageway and are expected to continue into 2026.

CONSTRUCTION OUTPUT – EAST OF ENGLAND (£ MILLION, 2019 PRICES)

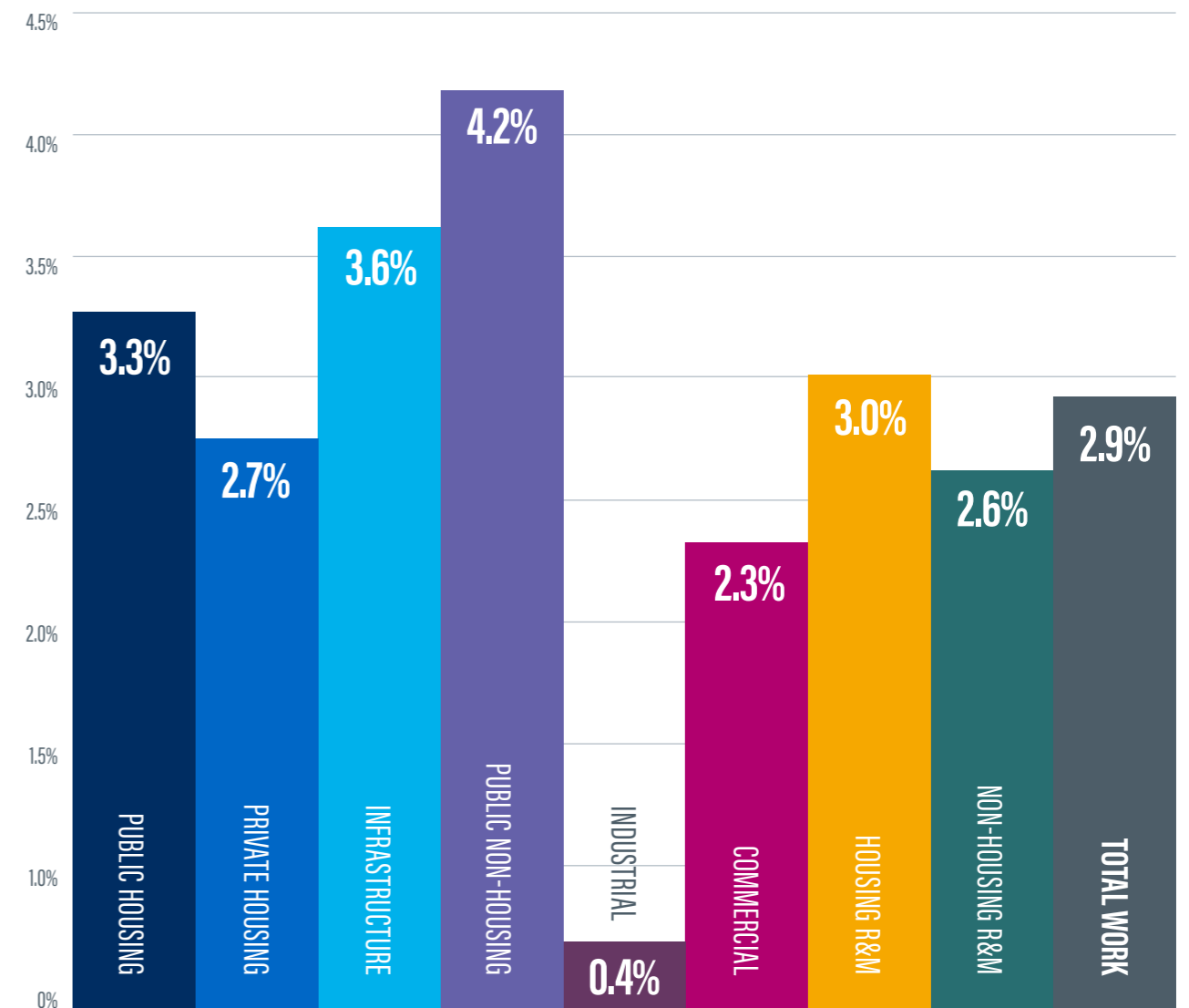
FIGURE 3

	ACTUAL LEVEL	FORECAST ANNUAL % CHANGE					ANNUAL AVERAGE 2024-2028
		2023	2024	2025	2026	2027	
Public housing	363	2.2%	3.4%	3.6%	3.6%	3.5%	3.3%
Private housing	2,651	-4.2%	11.2%	2.3%	2.5%	2.5%	2.7%
Infrastructure	2,435	0.8%	4.7%	4.9%	3.8%	4.1%	3.6%
Public non-housing	1,068	4.1%	5.3%	4.0%	3.7%	3.6%	4.2%
Industrial	577	-3.0%	1.5%	1.2%	1.5%	1.0%	0.4%
Commercial	1,321	0.7%	3.0%	3.0%	2.4%	2.3%	2.3%
<b>New work</b>	<b>8,414</b>	<b>-0.6%</b>	<b>6.2%</b>	<b>3.4%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
Housing R&M	4,825	4.3%	3.7%	2.4%	2.3%	2.3%	3.0%
Non-housing R&M	5,215	5.1%	1.0%	2.4%	2.3%	2.1%	2.6%
<b>Total R&amp;M</b>	<b>10,040</b>	<b>4.7%</b>	<b>2.3%</b>	<b>2.4%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>2.8%</b>
<b>Total work</b>	<b>18,454</b>	<b>2.3%</b>	<b>4.0%</b>	<b>2.8%</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.9%</b>

ANNUAL AVERAGE CONSTRUCTION OUTPUT GROWTH 2024-2028 EAST OF ENGLAND

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

FIGURE 4



# WORKFORCE FORECAST<sup>2</sup>

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

The level of output growth in the East of England 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 248,930 in the region will decrease slightly to 243,620 in 2024 before increasing to reach 258,680 by 2028. This is the same pattern seen across the UK with the construction workforce reducing in 2023 and 2024.<sup>3</sup>

FIGURE 5

TOTAL EMPLOYMENT BY OCCUPATION – EAST OF ENGLAND	ACTUAL 2023	ESTIMATE 2024	FORECAST 2028
Directors, executives and senior managers	30,590	29,990	30,810
Construction project managers	4,070	4,070	4,210
Non-construction professional and technical office based staff	24,070	23,470	24,360
Other non-construction office-based staff	27,930	27,180	27,750
Construction trades supervisors	3,280	3,290	3,470
Carpenters and joiners	13,390	13,390	14,480
Bricklayers and masons	4,900	4,880	5,270
Other construction and building trades	20,950	20,650	24,750
Painters and decorators	9,170	8,690	9,100
Plasterers	3,400	3,380	3,890
Roofers	4,410	4,410	4,750
Floorers and wall tilers	4,040	3,750	4,240
Glaziers and window trades	330	310	380
Scaffolders	1,890	1,890	2,020
Plant operatives	3,680	3,570	3,790
Plant mechanics/fitters	2,850	2,850	3,080
Steel erectors and metal workers	1,650	1,660	1,770
Labourers	9,640	9,650	10,980
Groundworkers	2,970	2,840	3,050
Electrical installation trades	16,640	16,270	17,050
Plumbing and HVAC trades	11,330	11,330	12,880
Logistics	4,110	4,100	4,350
Road and rail construction operatives	1,450	1,420	1,470
Non-construction trades and operatives	2,880	2,710	2,650
<b>Total (SIC 41-43)</b>	<b>209,620</b>	<b>205,750</b>	<b>220,550</b>
Civil engineers	4,160	4,180	4,400
Other professionals and technical staff working in construction	25,190	23,990	23,830
Architects	4,070	3,880	3,910
Surveyors	5,910	5,830	6,010
<b>Total (SIC 41-43, 71.1, 74.9)</b>	<b>248,930</b>	<b>243,620</b>	<b>258,680</b>

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 the East of England is set to average

**1.6%** PER YEAR

based on 2023 workforce levels, which is lower than the UK figure of 1.9%. This means the construction industry would have to increase current recruitment by 3,950 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:

- Non-construction professional and technical office based staff (760 per year)
- Other professionals and technical staff working in construction (590 per year)
- Directors, executives and senior managers (570 per year)

There will be pressure on the following occupations, painters and decorators (6.5%), glaziers and window trades (5.7%), non-construction professional and technical office based staff (5.7%) and labourers (5.5%), 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 – EAST OF ENGLAND	% OF 2023 WORKFORCE	VALUE
Directors, executives and senior managers	1.9%	570
Construction project managers	-	<50
Non-construction professional and technical office based staff	3.2%	760
Other non-construction office-based staff	1.5%	430
Construction trades supervisors	-	<50
Carpenters and joiners	1.5%	200
Bricklayers and masons	-	-
Other construction and building trades	0.4%	80
Painters and decorators	-	-
Plasterers	5.3%	180
Roofers	-	<50
Floorers and wall tilers	-	-
Glaziers and window trades	-	<50
Scaffolders	-	-
Plant operatives	3.0%	110
Plant mechanics/fitters	-	<50
Steel erectors and metal workers	4.8%	80
Labourers	3.3%	320
Groundworkers	-	-
Electrical installation trades	0.7%	120
Plumbing and HVAC trades	0.6%	70
Logistics	-	-
Road and rail construction operatives	-	<50
Non-construction trades and operatives	-	<50
Civil engineers	8.2%	340
Other professionals and technical staff working in construction	2.3%	590
Architects	2.5%	100
Surveyors	-	<50
<b>Total (SIC 41-43, 71.1, 74.9)</b>	<b>1.6%</b>	<b>3,950</b>

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

Recruitment would have to increase by the equivalent of:

**3,950** WORKERS PER YEAR

**The current level of recruitment in the region's construction industry has been around 18,500 workers per year, while slightly more left, around 19,500 workers 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 3,950 workers per year. This is important to understand because there is a still a relatively high level of construction vacancies in the East of England that need filling going into 2024.

Figure 7 shows how construction job vacancies in the East of England have remained above the UK trend in recent months, and they are still above pre-covid (2019) levels.

Construction workers are still in demand and relatively low levels of unemployment means 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 aren't positive for construction

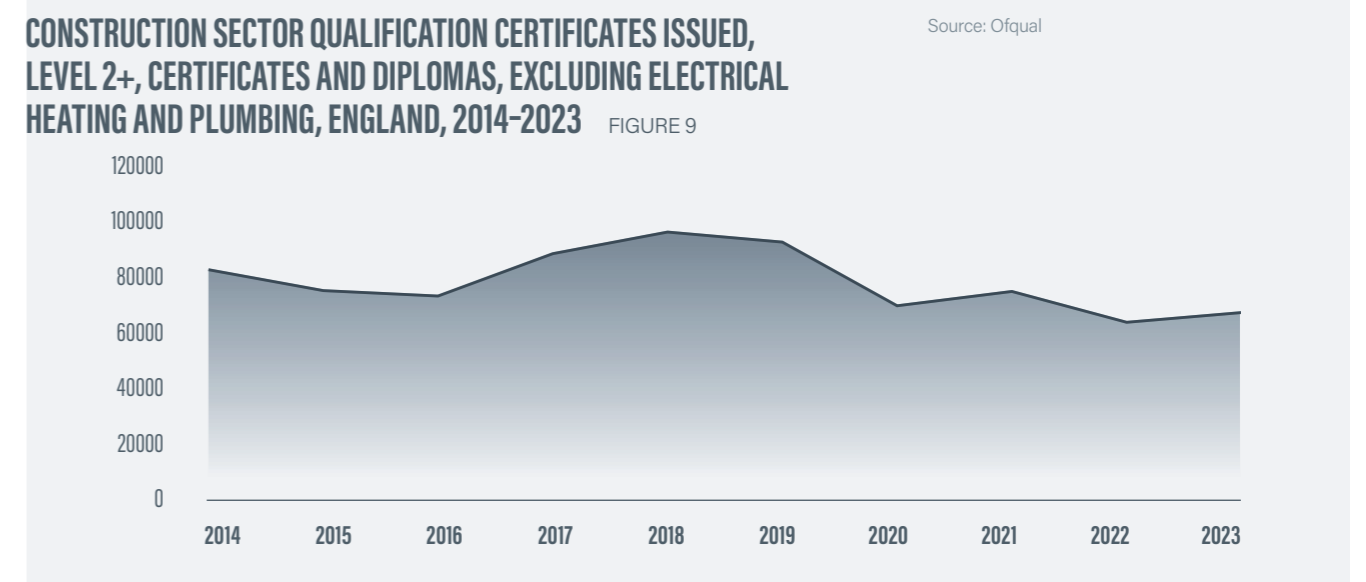
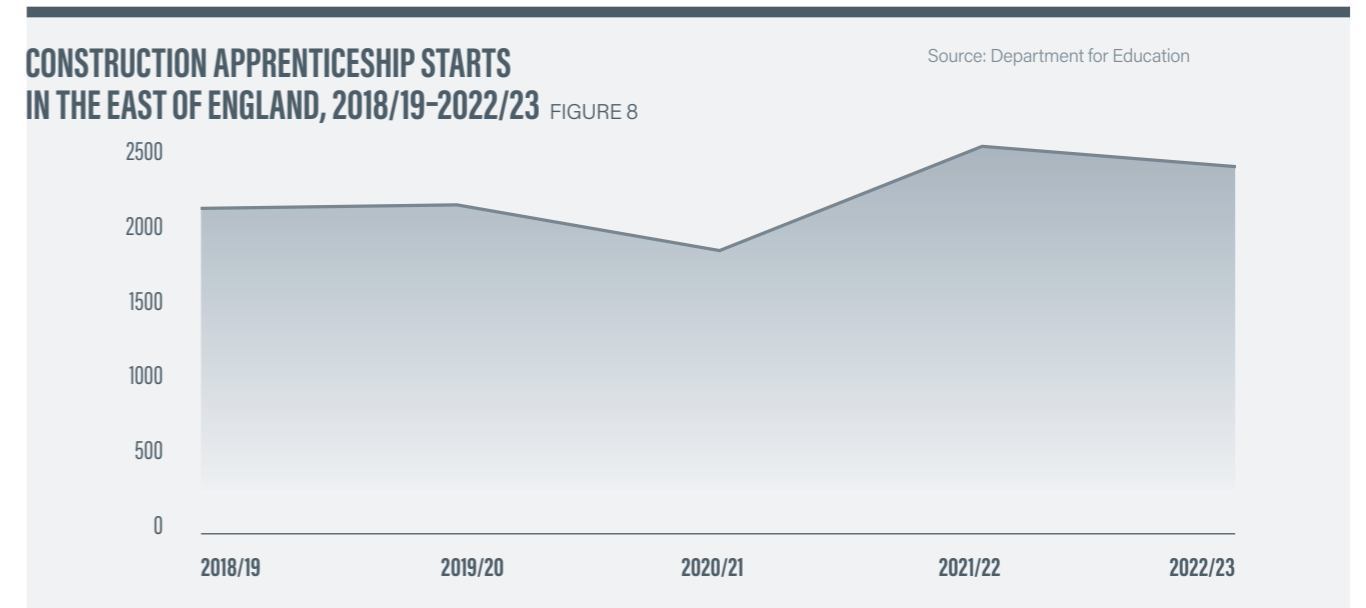
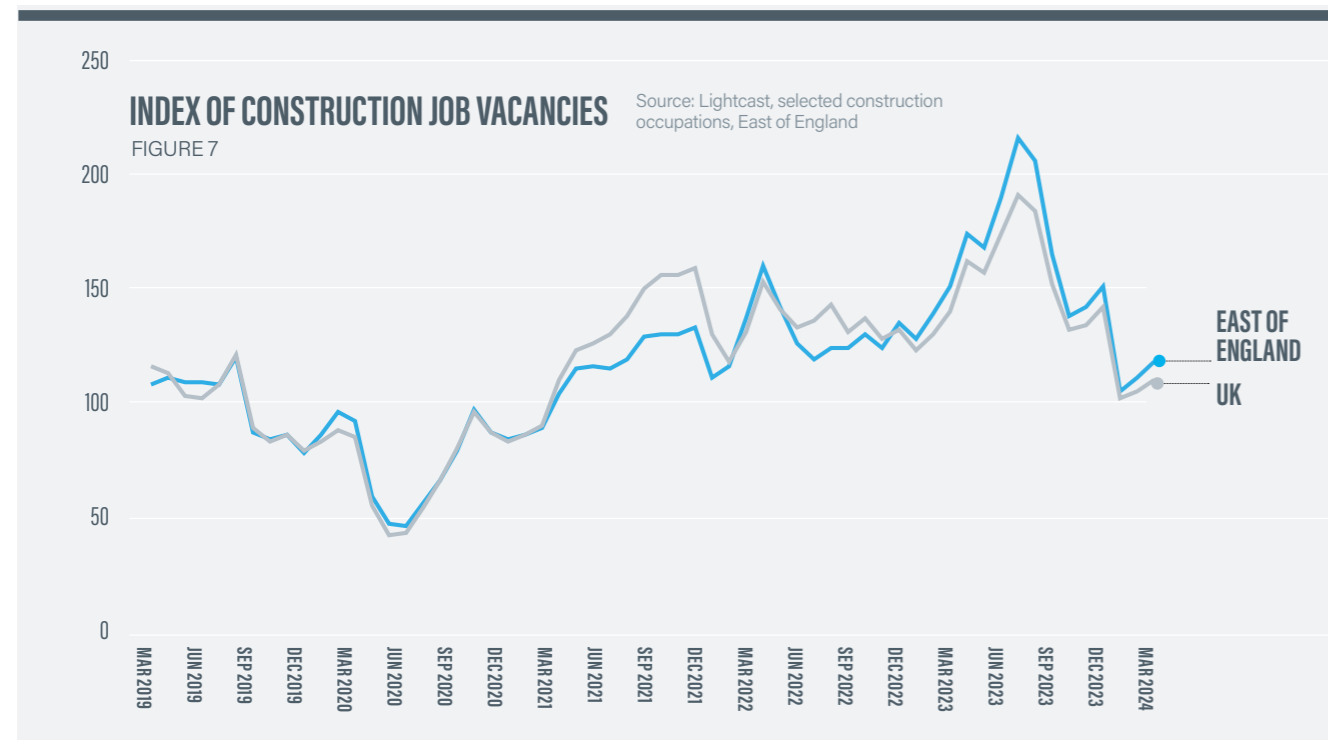
Figure 8 shows construction apprenticeship starts in the East of England picking up strongly after Covid-19 lockdown, ending the 2021/22 academic year 47% up on 2020/21, however, they dropped in 2022/23 by 6%. Indications are that 2023/24 will see a further drop in starts as half year numbers are down 3% 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 reduction in the

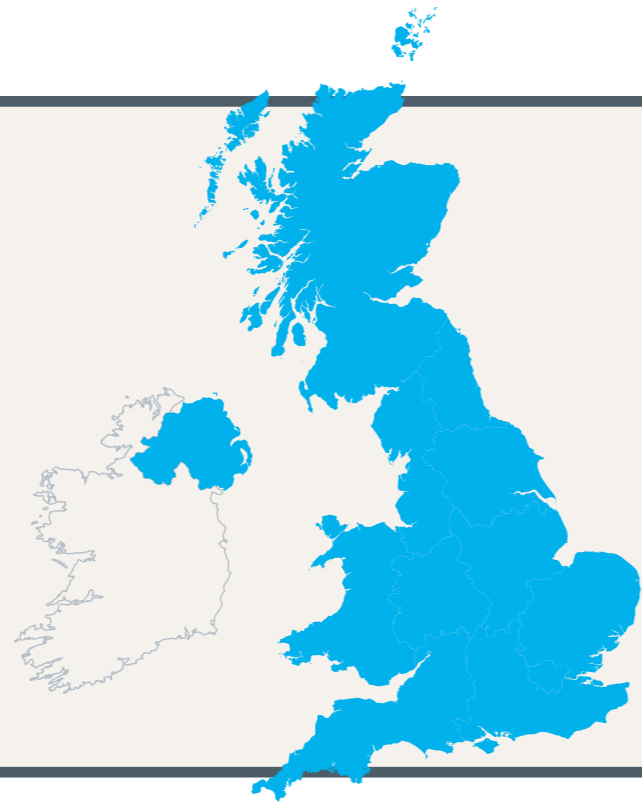
number of certificates being issued, which hasn't really increased (see Figure 9).

- 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 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 the industry needs. Working with industry to develop a competence-based skills system that will provide more flexible routes into construction, 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 THE EAST OF ENGLAND



In the East of England CITB will:

- Promote Talentview among employers:** Engage with employers and further education providers on the benefits of the Talentview platform. Through increasing the awareness and use of the platform, employers can find the right talent for their business. Talentview offers colleges the guidance to match learners to the most suitable routes into industry be it apprenticeships, traineeships or employment.
- Local Skills Improvement Fund (LSIF):** Focus on the construction skills region and support the successful delivery of the regional LSIF. CITB will encourage registered businesses by providing guidance on the financial support available in the form of grants and funding.
- Onsite Experience:** Support the Onsite Hub in Norfolk by engaging with employers. Onsite Hubs will match employers with suitable individuals that have completed a tailored construction programme to recruit workers that match their business need. Through the Onsite Hubs individuals will have completed construction training such as CSCS test and Health and Safety awareness.

- Employer networks:** where employers can gain the support and funding they require to access training. Employer steering groups decide how funds will be spent and fewer restrictions means that training meets the needs of local construction employers. This could be supporting trade skills, net zero, digital skills or mentoring.

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 the East of England 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 almost 250,000 workers and contribute around £19bn worth of output from an industry that accounts for 17% of all businesses that employ people in the region.



Annually the construction industry will contribute over

**£19bn**  
WORTH OF OUTPUT





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## EAST OF ENGLAND

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Cover image: Accordia Living, a housing development in Cambridge