

22nd Mav 2023



CECA Wales Monday Briefing

Current workload trends in the civils sector

Last week we published our workload trends survey (which many of you contribute to) for the first quarter of 2023. The overriding message was “declining workloads in the roads and preliminary works sectors could spell trouble for the UK’s economy”. I have attached the survey report with this briefing.

Results from the survey found that while the civils sector experienced a tenth quarter of growth in 2023 Q1, nonetheless falling workloads in the roads sector and in preliminary works for housing - traditional bellwethers for civil engineering activity - should concern policy and decision makers. In addition, cost pressures remain elevated for civils firms, with 81 per cent of companies reporting increases of over 5 per cent, while the supply of skilled operatives remains one of the key supply issues facing contractors across England, Scotland and Wales.

CECA Chief Executive Alasdair Reisner said: “These statistics show that while the UK’s infrastructure sector continues to act as the backbone of UK plc in delivering much-needed economic growth, there could be trouble ahead at a time when we need the industry to be firing on all cylinders. Infrastructure underpins every aspect of our lives and is a major employer in all parts of the country, which is why we are highlighting that these sectors are struggling due to challenges they are facing, not least rising inflation, supply chain disruption, and a loss of business confidence. If the UK Government wishes to see progress in meeting its housing ambitions and to deliver the connectivity businesses and communities need to thrive, it must work with industry to understand why bottlenecks are appearing in these sectors, and work to bring projects forward to market without delay.”

From a Welsh perspective we’ve already seen reductions in road building investment (we’ve discussed this at length!) but there are some signs that investment in other areas could compensate (although that is in the medium to long term). Cost increases are still putting pressure on tender returns but the long standing issue on the availability of skilled operatives remains a huge challenge. With that in mind I am continuing to work with CITB Cymru, Colegau Cymru and a number of our members to address the shortage of training provision for operatives and I hope to be able to update you soon on opportunities for a funded skills programme for groundworkers which will hopefully offer a short term alternative to apprenticeship provision which continues to be difficult.

CECA Wales Political Update

Infrastructure matters to note from both the Senedd and Westminster include :

- The First Minister responded to questions from Rhianon Passmore MS and Laura Anne Jones MS on the challenges facing the construction industry, reversing the decline in Welsh construction output and attracting more people into the sector.
- Adam Price MS requested an update from the First Minister on the Welsh Government’s commitment in the last Senedd to introduce a Llandeilo bypass.
- Adam Price MS also asked the Welsh Government to commission an independent study on undergrounding and called for the development of a national plan for the electricity grid.
- During this week’s Business Statement and Announcement, Mike Hedges MS asked for an update on the Swansea Bay and West Wales metro, while Mark Isherwood MS called for statement on the Wrexham to Bidston rail line. Menai Bridge: Rhun ap Iorweth MS asked the Trefnydd for a statement on the need to reset hangars on the Menai Bridge.
- The Department for Transport and National Highways have published a public consultation on National Highways’ strategic road network (England) Initial Report.
- National Highways have published the following documents aimed at work in England :
 - Environmental Sustainability Strategy, entitled ‘National Highways Environmental Sustainability Strategy’
 - Strategic Road Network Initial Report, entitled ‘National Highways Strategic Road Network Initial Report’
 - ‘Connecting the Country: our long-term strategic plan’.
- The Department for Transport has announced £200m in funding for cycling and walking schemes, helping to promote healthy travel, reduce emissions and grow the economy.

CECA Wales Director Activities

My activities last week include :

- Meeting with CITB Cymru and Colegau Cymru to develop a funded foundation programme for civil engineering operatives/groundworkers
- Meeting offshore wind developers to discuss engagement opportunities
- Hosting a “Carbon Literacy for Engineers” course with Cynnal Cymru
- Preparing for an onshore wind engagement webinar for members
- Preparing for the CECA Wales Joint Annual Conference 2023
- Finalising arrangements for the CECA Wales “Service Strikes Mock Trial” for members with DAC Beachcroft

Client engagement and business opportunities

You will have noted from previous briefing notes that we will be hosting two client engagement webinars with Bute Energy in May and June :

- The first “**Stage 1**” webinar will take place, via Teams, between 930-1030 on **26th May 2023 (this week)**
- The second “**Stage 2**” webinar, aimed at those contractors who feel that the opportunities offered are worthy of pursuing, will take place, also via Teams, between 930-1030 on **21st June 2023**
- Subject to how stages 1 and 2 proceed there may well be a series of “third stages” for more targeted briefing.

To register for these events please contact Deborah@cecawales.co.uk as soon as possible. Places will be restricted to two individuals per member organisation.

Also on the theme of renewables please follow these links to a “meet the buyer” event involving Floventis Energy who will be setting out opportunities in the emerging floating offshore wind market.

Eng: [Business Wales Events Finder - Floventis Energy - Llŷr developments in the Celtic Sea meet the buyer event, Events \(business-events.org.uk\)](https://business-events.org.uk)

Cym: [Digwyddiadau Busnes Cymru - Floventis Energy - Datblygiadau Llŷr yn y Môr Celtaidd yn cyfarfod â'r digwyddiad prynwyr, Digwyddiadau \(business-events.org.uk\)](https://business-events.org.uk)

I am currently in discussions with Floventis regarding a civils specific briefing but this initial event will provide a good introduction to these exciting developments. In the meantime here's a link to a podcast about opportunities in the Celtic Sea <https://businessnewswales.com/celtic-sea-opportunities-for-wales/>

Finally, for those interested in ongoing opportunities with HS2 I have added, for your information, details of engagement events being held in July which you will need to register for.

Training Events

For information on our events programme for 2023 please check out our website via <https://www.cecawales.co.uk/wales/events/> .

Details of “Mock Trial” training for Service Strikes have already been shared with members. The session on 25th May (this Thursday) is almost full so please let me know as soon as possible if you would like to secure a place for you or a colleague.

As part of the 2023 programme we are also preparing a series of webinars and “face to face” sessions on social value opportunities and sources of support for CECA Wales members - further information to follow.

Our programme of **NEC4 workshops** for members is continuing into the summer period. Members have been contacted separately to secure places on this extended programme of courses. Please be assured that, as always, we will ensure that all CECA Wales members will be able to access these courses but please keep an eye out for further announcements via these briefings and our website for further programmes in 2023.