

28th February 2022



CECA Wales Monday Briefing

Workload trends : Activity rises as costs remain near record highs

Before I mention workload trends I can't not mention the rugby. Definitely the one that got away for Wales. England had the "rub of the green" for sure, but to be fair we probably had the good fortune last year and England had it this year. Bring on France!

Anyway, back to business. We published our Workload Trends Survey last week based on feedback from members across the UK during the last quarter of 2021. I've attached a copy to this briefing. Whilst we live in turbulent times attitudes and prospects can change quickly between quarters. Nevertheless, it gives an indication of the "mood" across the industry. So, here's a few pointers.

In Q4, 45% of British firms reported an annual rise in workloads, the highest balance in nearly seven years. And to reinforce this the order books balance hit a seven-year high as 51% of firms expect increased workloads in 2022. On the face of it this is great news for the supply side of the industry but combined with other pressures it is creating very challenging conditions for our workforce and, no doubt, impacts on the health and wellbeing of our workforce. Hopefully we will focus on this in our May Annual Conference.

The balance of firms reporting an annual increase in costs remained close to Q3's record high at 98%. A balance of 89% and 81% of firms cited higher tender prices for new work and R&M, respectively. Given all the pressures on labour and materials this isn't surprising but will be very challenging for client budgets.

The proportion of British firms noting issues with the supply of materials/products, skilled operatives, other operatives and staff fell from Q3. However, it still remains very high as many, if not all of you, will know when trying to attract new people or retain staff. This is exacerbating challenging conditions across the market and is fuelling the increasing tendering costs which is, as I mentioned above, no doubt putting huge pressure on construction client budgets.

There's probably no great surprises in this data for those working in the contracting sector but it should come as a reminder to infrastructure clients of the volatility of the current environment and the need for far greater sensitivity in approaches to procurement especially when it comes to the management of risk.

CECA Wales Political Update

The Senedd was in recess for the half-term break last week and so there is no specific update this week.

CECA Wales Director Activities

My activities over the last week included :

- Meeting consultant partners to discuss potential approaches to and trials of carbon measurement processes
- Meeting Welsh Government officials to develop the operational structure and work programme for the Welsh Construction Forum
- Meeting Senedd Members to discuss how investment in the sector can be maintained despite the Roads Review
- Attending an update by City and Guilds and Qualifications Wales on the new Construction and Built Environment qualifications
- Meeting the CECA Wales Chair to take forward the 2022 strategic plan
- Meeting CITB Cymru to discuss progress on the Groundworker and Pant Operative Foundation Apprenticeships
- Preparing proposals for a future webinar for client/contractor engagement and discussions on approaches to risk
- Developing a model to better support local authority clients in delivering projects with limited resources
- Meeting members to discuss current concerns including employment challenges and future workload

Client engagement and business opportunities

Whilst our engagement with construction clients is continuing, I wanted to advise you of Transport for Wales' plans in terms of tendering opportunities. TfW are currently inviting tenders for delivering a £300m programme of station upgrades and improvements over four years. This investment into over 200 railway stations will improve the way they look, make them safer

and provide more commercial and community opportunities. Work packages have been split into seven lots covering anything from low-value simple improvements to waiting rooms up major station upgrades.

The Stations Modifications and Infrastructure Enhancements Framework comprises :

1. Pan Wales > £500k Non-Complex Station Projects
2. North Wales < £500k Non-Complex Station Projects
3. South & West < £500k Wales Non-Complex Station Projects
4. Pan Wales Station Information and Security Systems Projects
5. CVL Structure Interventions
6. CVL Major Station Works
7. TfW Infrastructure Owner Works

To register interest visit the [Sell2Wales website](#).

Training Events

Please note that our events programme for 2022 has been launched and will be constantly refreshed throughout the year. Here's the link <https://www.ceca.co.uk/wales/events/> .

Our series of NEC4 workshops for members will recommence on 22nd March with further dates for the 2022 programme available via the link above. Due to higher demand for these courses we have arranged additional dates for June 6th, 10th, and 13th. Further information will be updated to the website as soon as the content is agreed. Please be assured that we will ensure that CECA Wales members are able to access these courses albeit over a phased programme.