



**Construction Skills Network 2018
2nd Round Forecasts 2019-23
Scotland**

Presentation by

James Hastings, Experian

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The UK view

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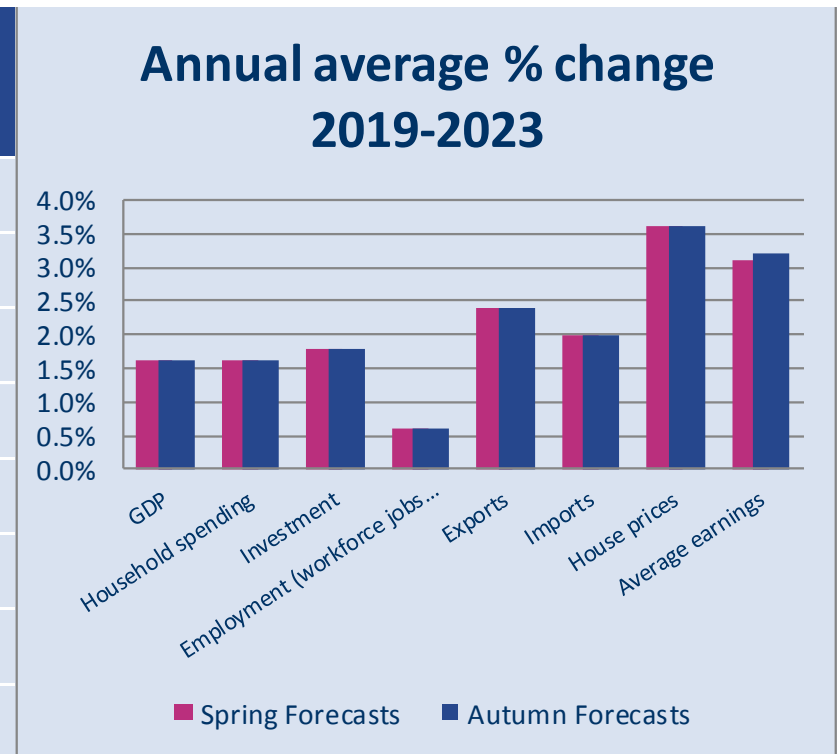
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Very little change in our economic forecasts since the spring

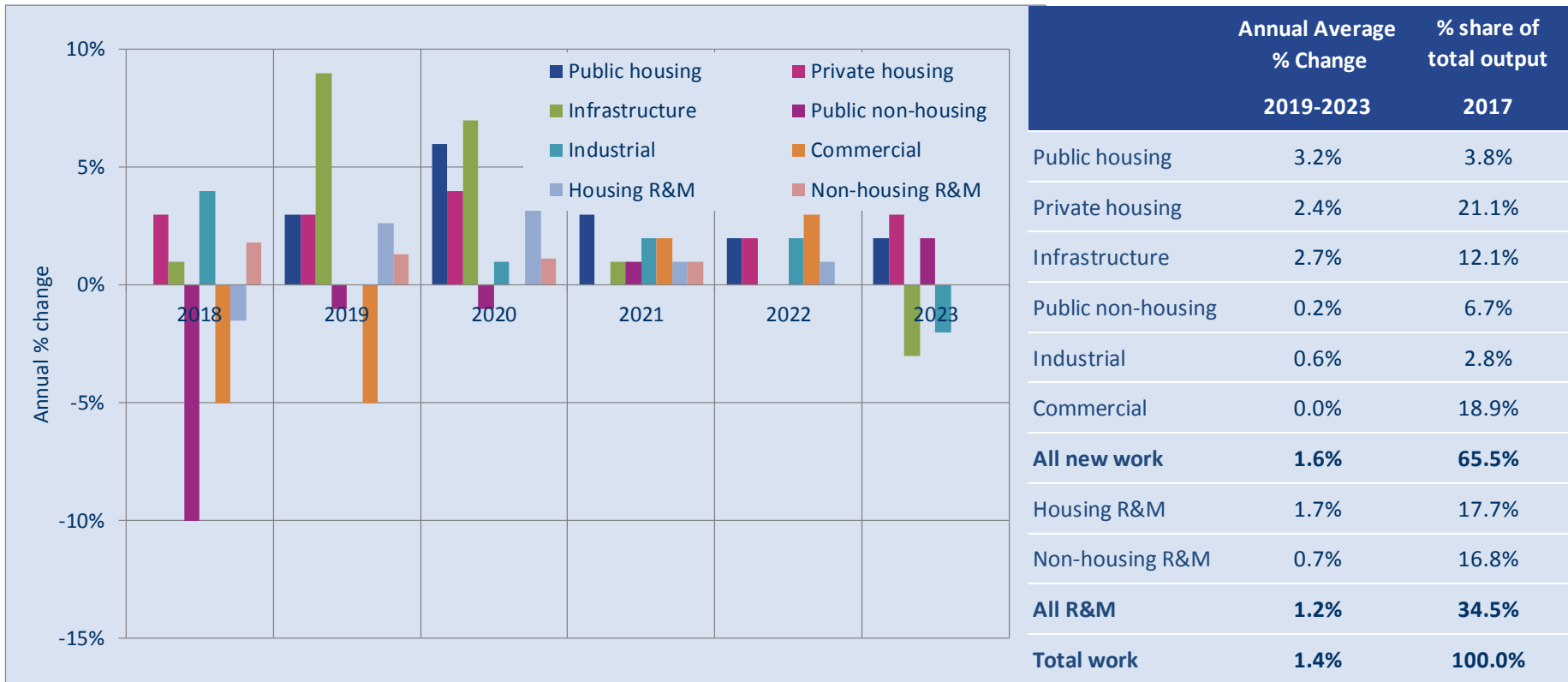
	Annual % Change		
	2016	2017	2018
GDP	1.9%	1.8%	1.3%
Household spending	2.9%	1.7%	1.0%
Investment	1.8%	4.0%	2.6%
Employment (workforce jobs measure)	1.8%	1.4%	0.5%
Exports	2.3%	5.7%	1.4%
Imports	4.8%	3.2%	0.3%
House prices	7.6%	5.0%	2.0%
Average earnings	2.3%	2.4%	2.6%



Sources: ONS, Experian

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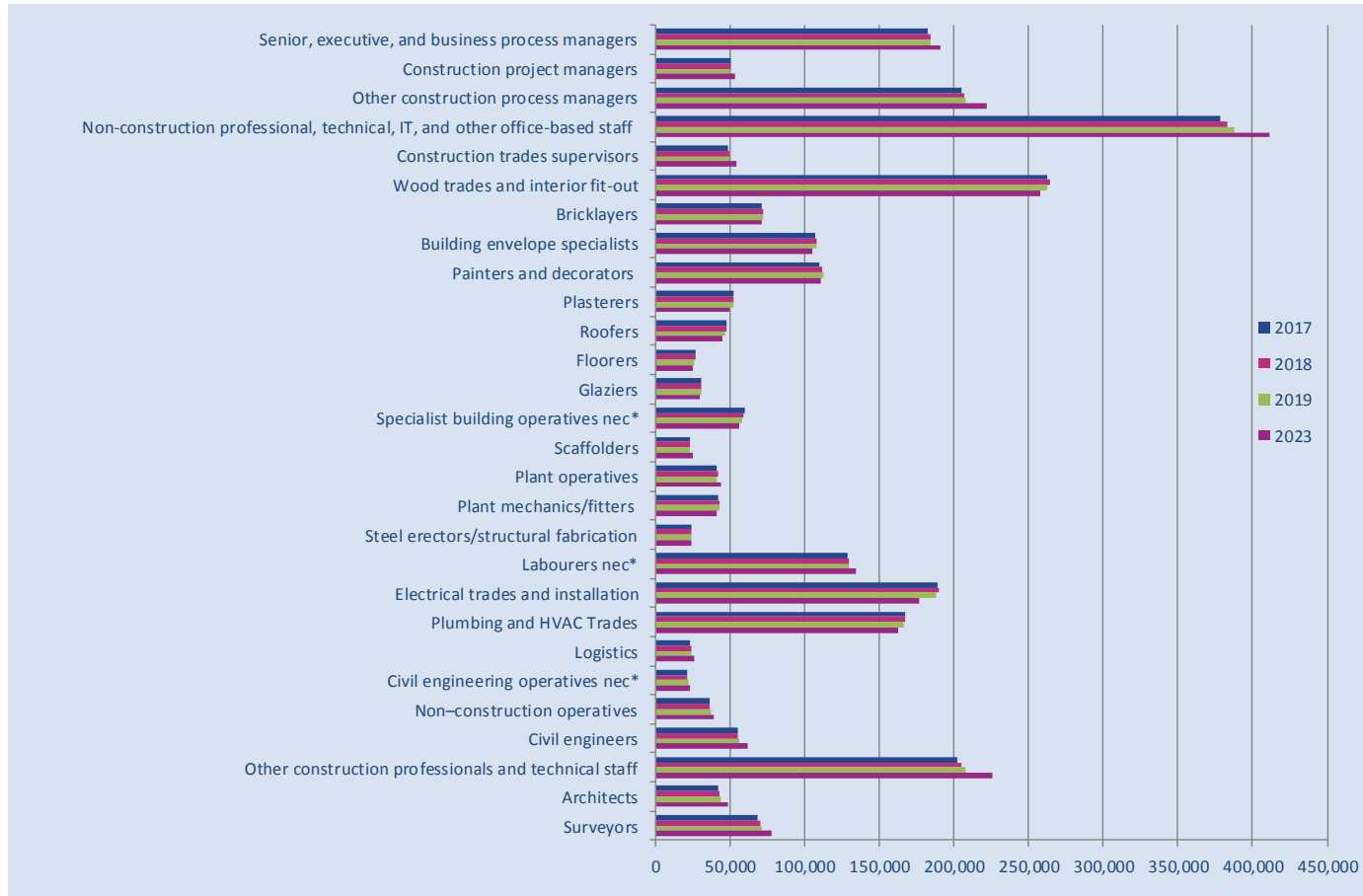
Overall growth remains 'steady as she goes'



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UK construction employment growth in line with whole economy average



Total Employment (SIC 41-43, 71.2, 74.9)
2017
2,693,440
2018
2,718,730
2019
2,723,610
2023
2,788,380

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Annual recruitment requirement projections

Annual Average Recruitment Requirement	Traffic lights		ARR 2019-23
	UK	UK	UK
Senior, executive, and business process managers	●		1390
Construction project managers	●		590
Other construction process managers	●		3410
Non-construction professional, technical, IT, and other office-based staff	●		4840
Construction trades supervisors	●		850
Wood trades and interior fit-out	●		2380
Bricklayers	●		830
Building envelope specialists	●		560
Painters and decorators	●		980
Plasterers	●		250
Roofers	●		750
Floorers	●		290
Glaziers	●		280
Specialist building operatives nec*	●		820
Scaffolders	●		720
Plant operatives	●		980
Plant mechanics/fitters	●		580
Steel erectors/structural fabrication	●		450
Labourers nec*	●		1780
Electrical trades and installation	●		1560
Plumbing and HVAC Trades	●		1900
Logistics	●	●	630
Civil engineering operatives nec*	●		180
Civil engineers	●		1200
Other construction professionals and technical staff	●		3270
Architects	●		870
Surveyors	●		1410
Total (SIC 41-43, 71.1 & 74.9)	●		33750

*nec — not elsewhere classified

Source: ONS, Experian

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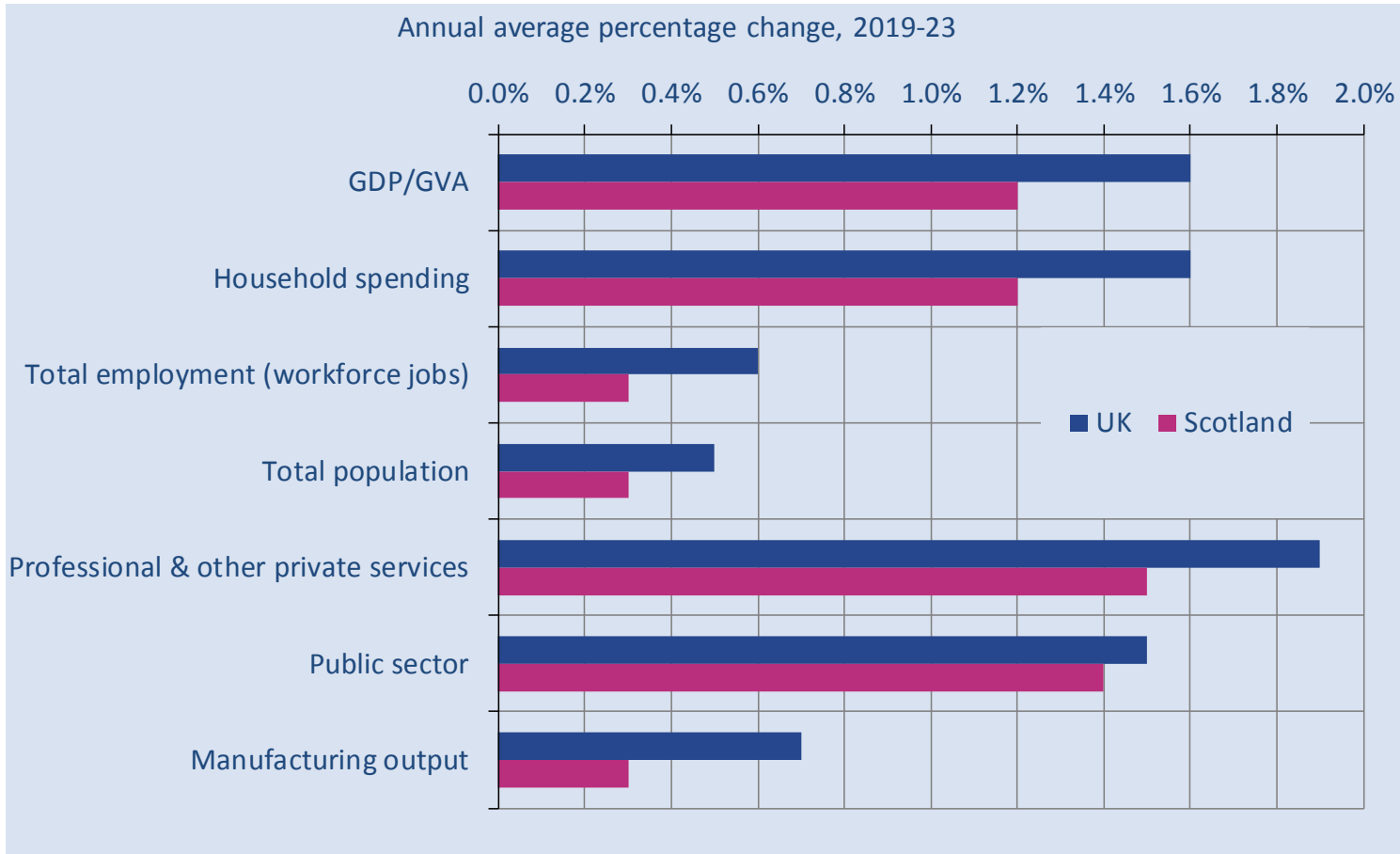
The output view for Scotland

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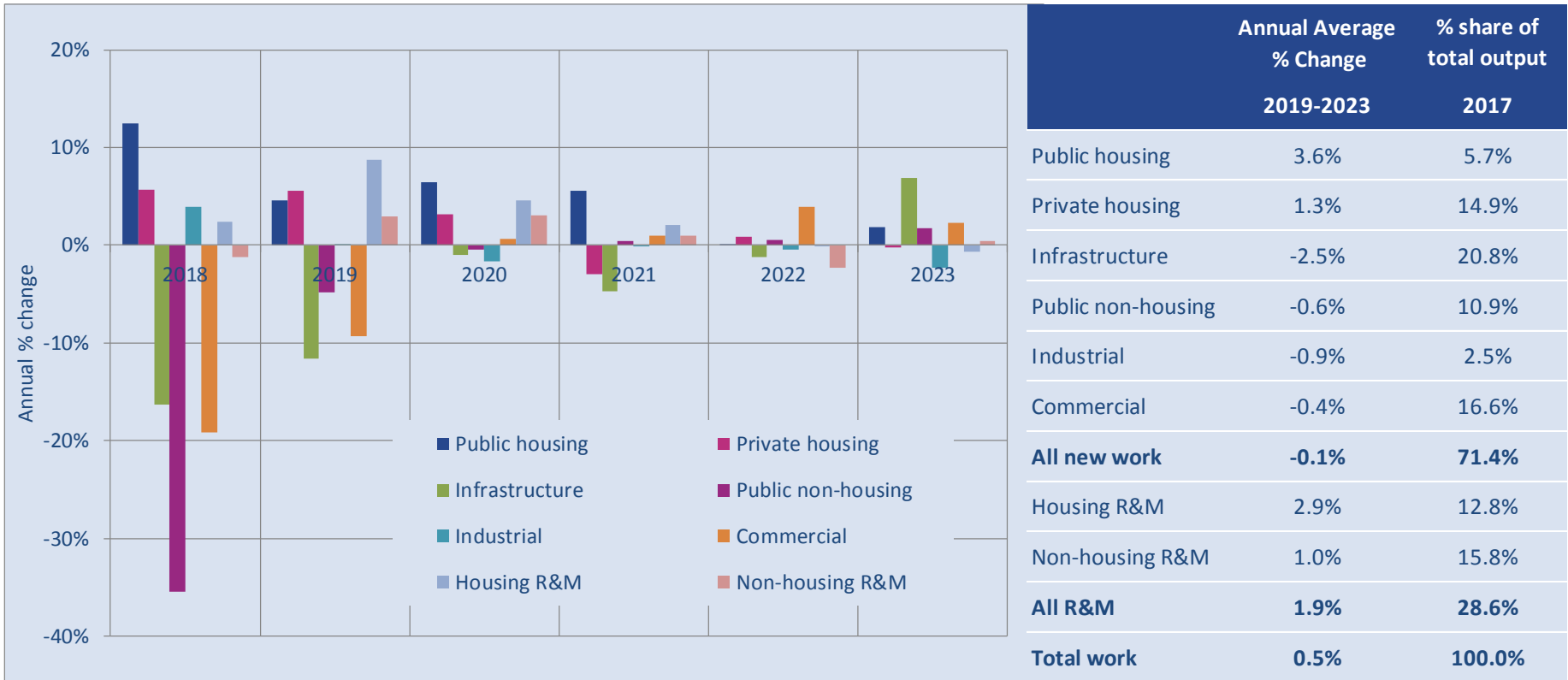


Selected economic indicators UK v Scotland



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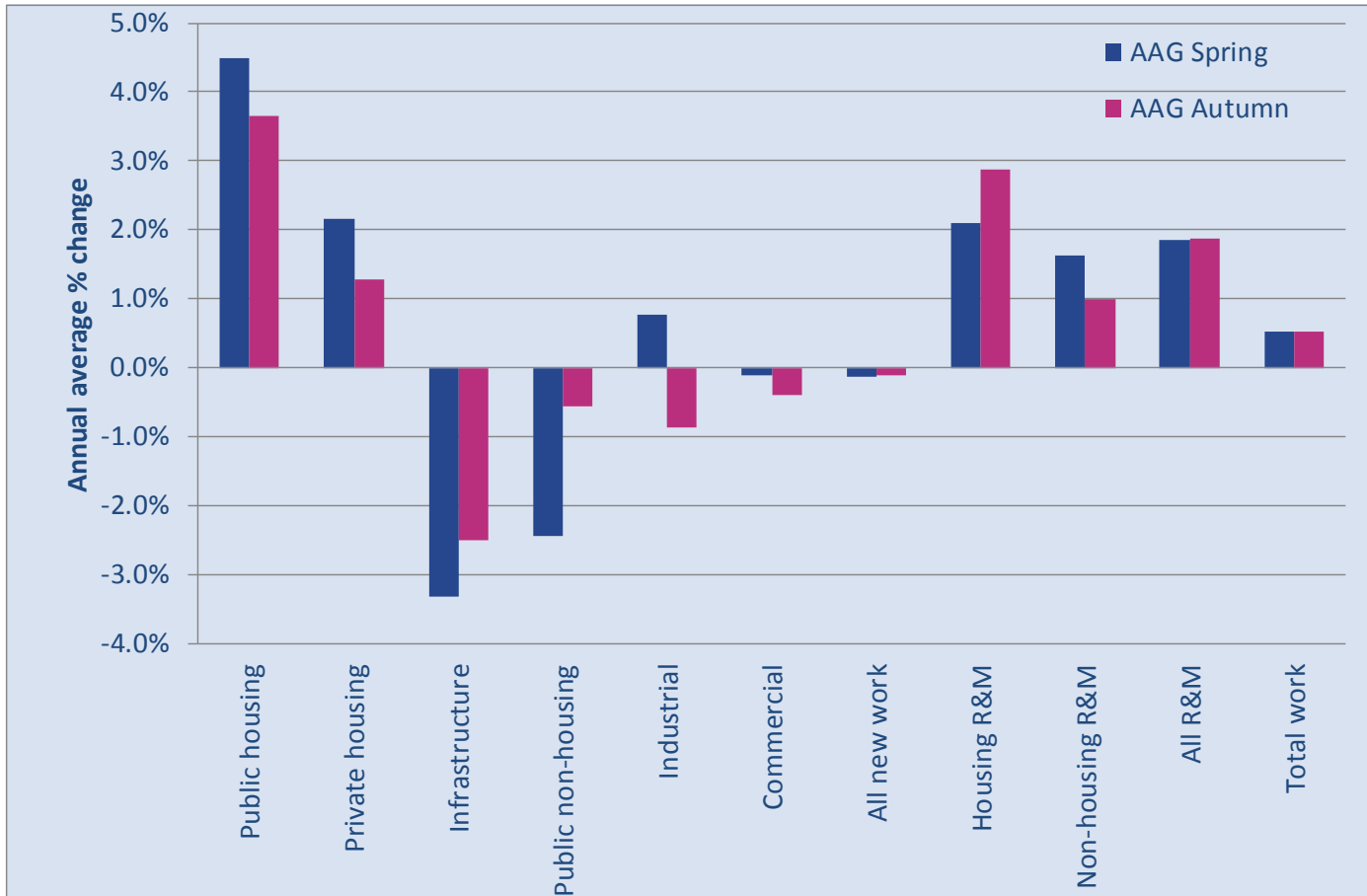
Revised output forecasts for Scotland



	Annual Average % Change	% share of total output
	2019-2023	2017
Public housing	3.6%	5.7%
Private housing	1.3%	14.9%
Infrastructure	-2.5%	20.8%
Public non-housing	-0.6%	10.9%
Industrial	-0.9%	2.5%
Commercial	-0.4%	16.6%
All new work	-0.1%	71.4%
Housing R&M	2.9%	12.8%
Non-housing R&M	1.0%	15.8%
All R&M	1.9%	28.6%
Total work	0.5%	100.0%

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What's changed since the spring – Scotland



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Major projects – what’s in and what’s out

Major Projects in the Region/Devolved nation*	Planned projects	Projects excluded due to high level of uncertainty
Current projects		
Project/estimated cost/scheduled completion date	Project/estimated cost/scheduled start date	Project/estimated cost
A9 dualling - £3bn - 2025**	Neart Na Gaoithe Wind Farm - £2bn - 2019	A96 dualling - project cost N/A
Beatrice offshore wind farm - £2.6bn - spring 2019	HVDC Subsea Interconnector Cable - £1.3bn - 2020	Cockenzie cruise ship terminal - £300m
Campus development, University of Glasgow - £1bn - 2028	Faslane and Coulport submarine base expansion - £1.3bn - 2019	Braehead shopping centre extension - £200m
St James' Quarter, Edinburgh - £850m - 2021	International Business Gateway, Edinburgh - £700m - 2019	
Aberdeen Western Peripheral Route - £745m - late 2018	Tidal energy, Pentland Firth - £200m - 2020	
Buchanan Galleries extension, Glasgow - £400m - 2020	India Quay, Fountainbridge - £200m - 2020	
Nigg Bay harbour extension - £350m - 2020	Union Square, Aberdeen - £200m - 2020	
Conference Centre, Aberdeen - £330m - 2019	Monklands hospital redevelopment - £150m - 2019	
	Energy recovery facility, Aberdeen - £150m - mid 2019	

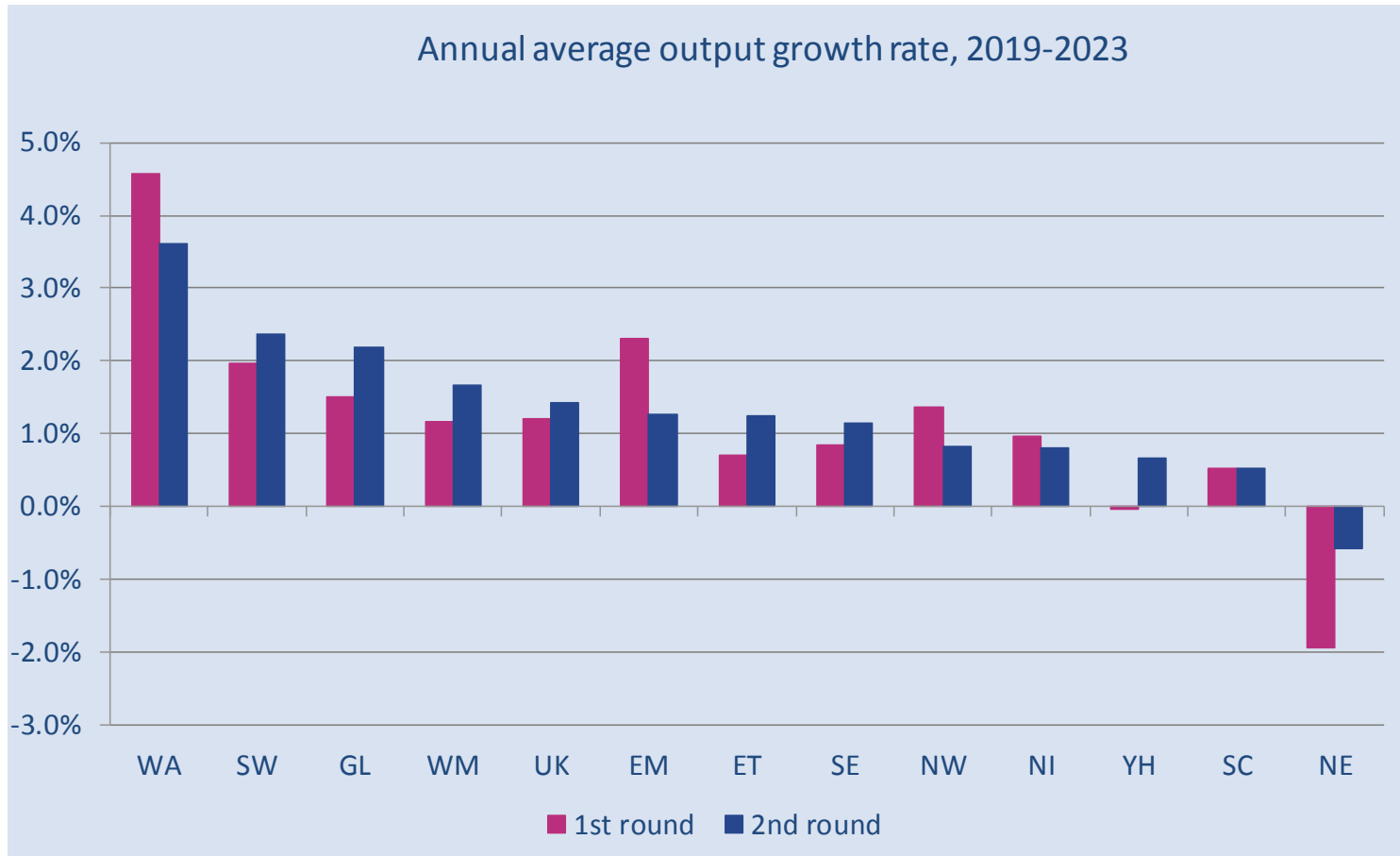
* the biggest single projects in the region. Not inclusive of frameworks or programmes of work

**Project is divided into 11 sections of which the first, between Kinncraig and Dalraddy, is complete, and the second, Luncarty to Birnam, has started

Notes: Estimated cost is total project value, not necessarily construction cost

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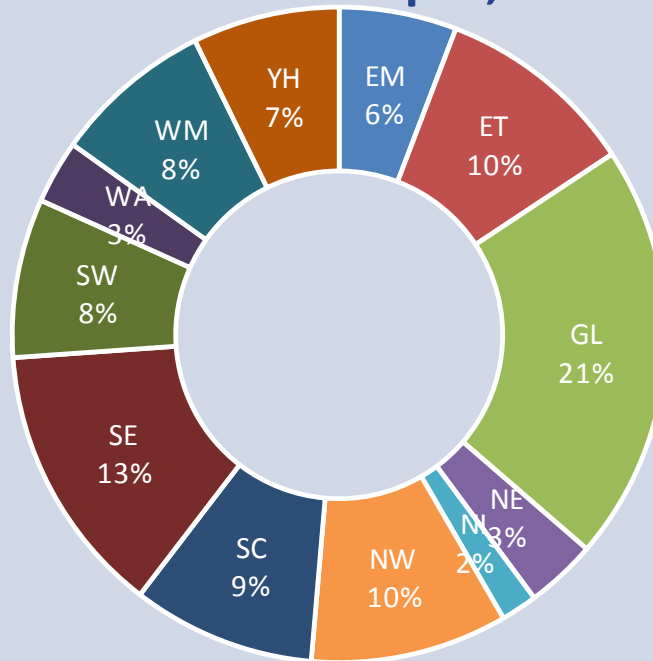
Regional comparisons – output



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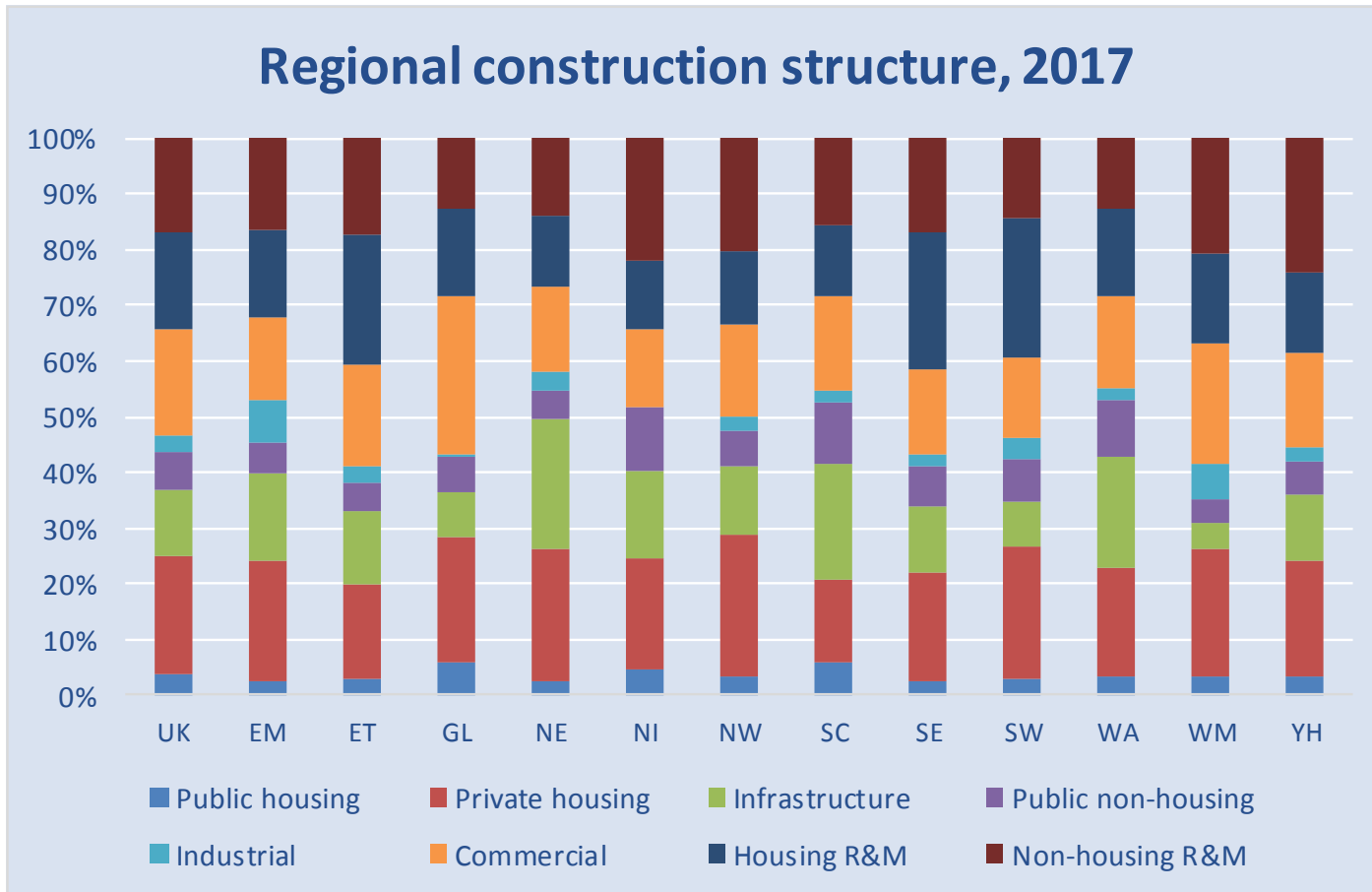
Background information - London and south east England dominate construction output

Regional/devolved nation shares of UK construction output, 2017



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Background information - significant variation in regional/devolved nation industry structure



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The employment view for Scotland

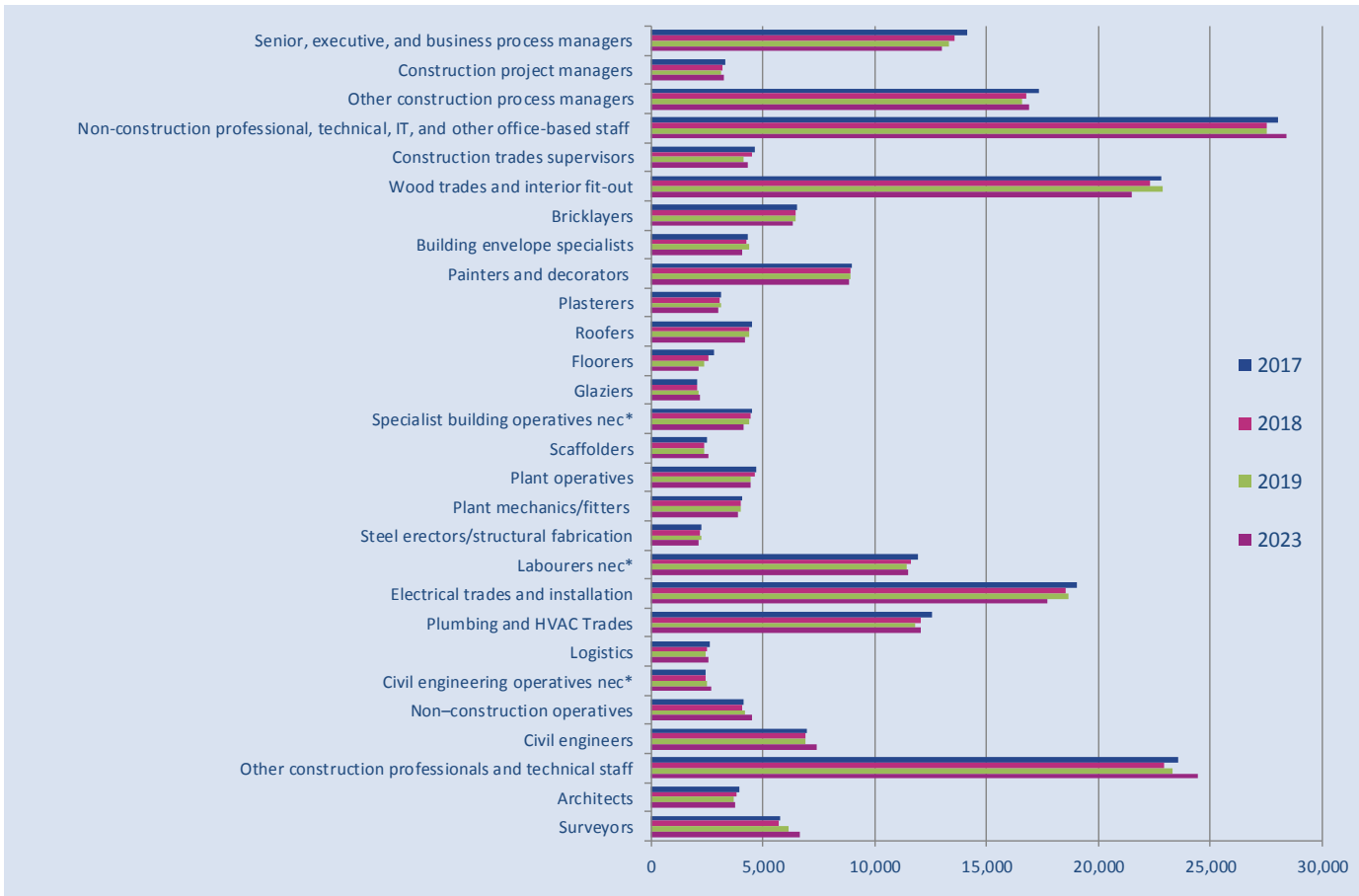
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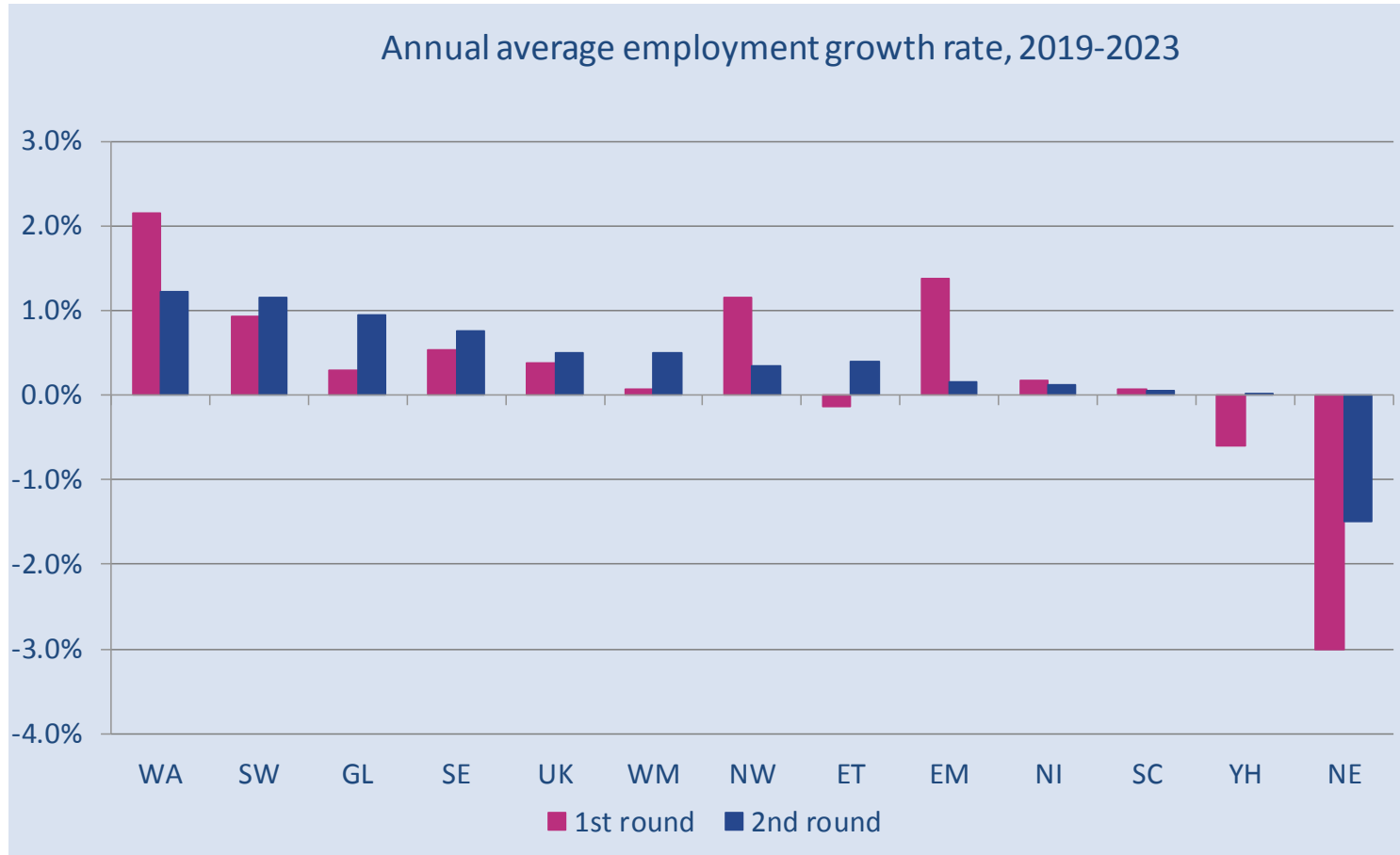
Revised employment forecasts for Scotland



Total Employment (SIC 41-43, 71.2, 74.9)
2017
233,630
2018
227,940
2019
228,000
2023
228,640

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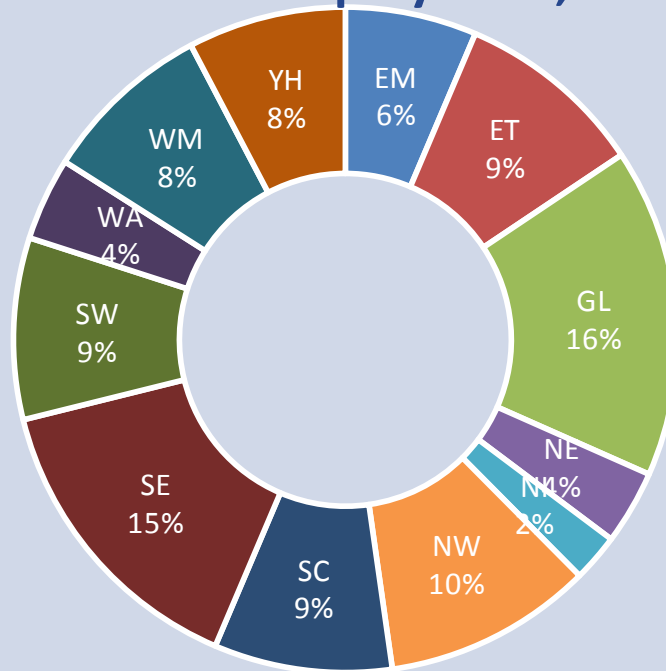
Regional comparisons – employment



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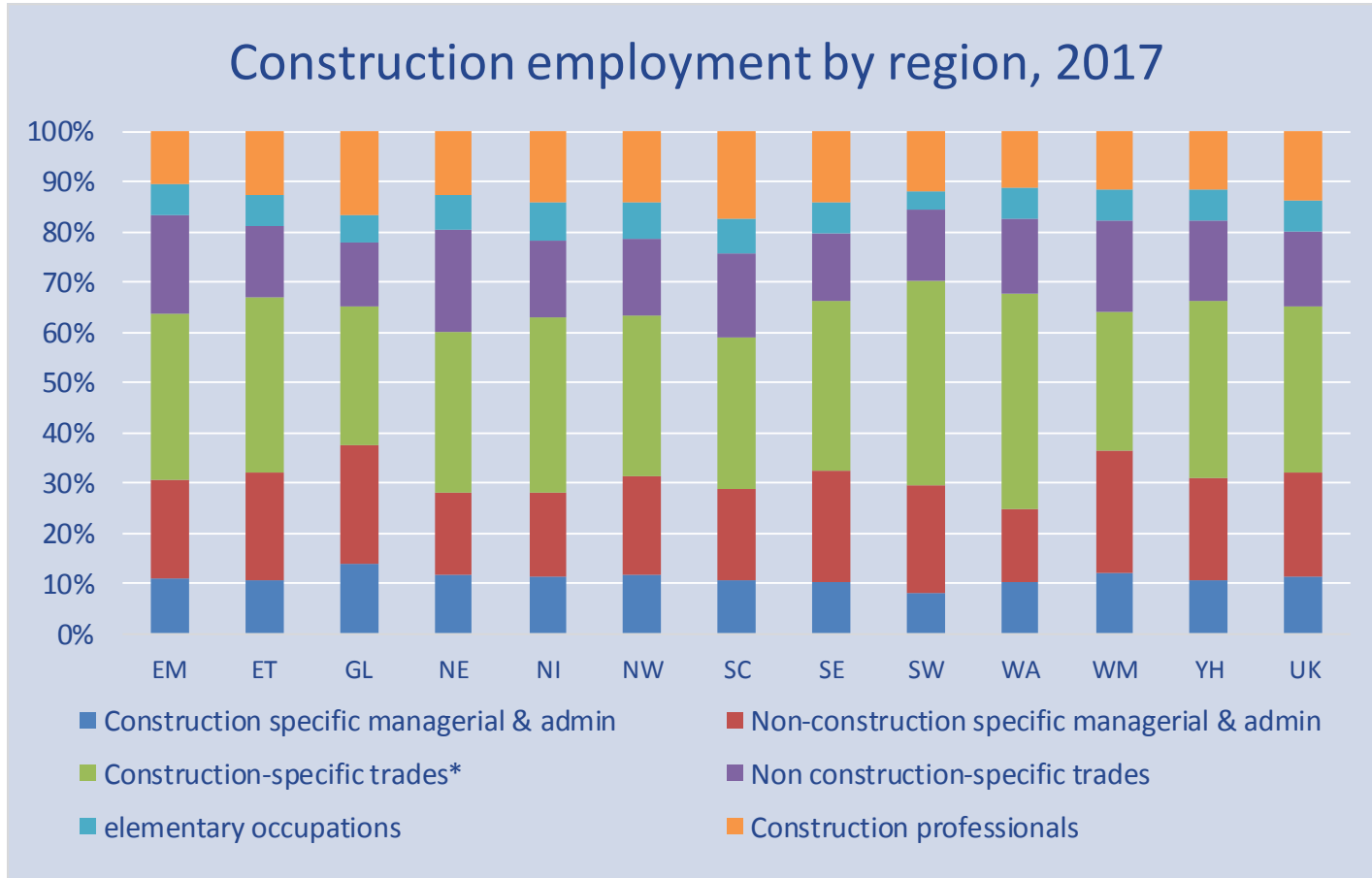
Background information - can any assumptions regarding productivity be made comparing employment and output shares?

Regional/devolved nation shares of UK construction employment, 2017



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Background information - As in output, variations in regions/devolved nations employment structure



**Over 50% of occupation in scope to construction*

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Annual recruitment requirement projections

Annual Average Recruitment Requirement	Traffic lights	
	UK	Scotland
Senior, executive, and business process managers	●	●
Construction project managers	●	●
Other construction process managers	●	●
Non-construction professional, technical, IT, and other office-based staff	●	●
Construction trades supervisors	●	●
Wood trades and interior fit-out	●	●
Bricklayers	●	●
Building envelope specialists	●	●
Painters and decorators	●	●
Plasterers	●	●
Roofers	●	●
Floorers	●	●
Glaziers	●	●
Specialist building operatives nec*	●	●
Scaffolders	●	●
Plant operatives	●	●
Plant mechanics/fitters	●	●
Steel erectors/structural fabrication	●	●
Labourers nec*	●	●
Electrical trades and installation	●	●
Plumbing and HVAC Trades	●	●
Logistics	●	●
Civil engineering operatives nec*	●	●
Civil engineers	●	●
Other construction professionals and technical staff	●	●
Architects	●	●
Surveyors	●	●
Total (SIC 41-43, 71.1 & 74.9)	●	●

*nec — not elsewhere classified

Source: ONS, Experian

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Appendix
Detailed output, employment and
ARR forecasts, the CSN footprint,
national structural changes

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Output – Scotland

(£m, constant 2016 prices)								Annual average % growth
	2017	2018	2019	2020	2021	2022	2023	2019-2023
Public housing	853	959	1004	1068	1127	1127	1147	3.6%
	27%	12%	5%	6%	6%	0%	2%	
Private housing	2233	2360	2493	2571	2497	2519	2514	1.3%
	5%	6%	6%	3%	-3%	1%	0%	
Infrastructure	3123	2613	2310	2288	2181	2154	2302	-2.5%
	-13%	-16%	-12%	-1%	-5%	-1%	7%	
Public non-housing	1641	1060	1008	1004	1008	1013	1030	-0.6%
	1%	-35%	-5%	0%	0%	0%	2%	
Industrial	374	388	389	383	382	380	372	-0.9%
	21%	4%	0%	-2%	0%	0%	-2%	
Commercial	2484	2008	1820	1833	1852	1926	1969	-0.4%
	-6%	-19%	-9%	1%	1%	4%	2%	
All new work	10708	9389	9023	9147	9047	9119	9335	-0.1%
	-2%	-12%	-4%	1%	-1%	1%	2%	
Housing R&M	1921	1967	2139	2237	2284	2283	2267	2.9%
	1%	2%	9%	5%	2%	0%	-1%	
Non-housing R&M	2363	2335	2404	2477	2501	2444	2454	1.0%
	-3%	-1%	3%	3%	1%	-2%	0%	
All R&M	4285	4302	4544	4714	4785	4727	4721	1.9%
	-1%	0%	6%	4%	2%	-1%	0%	
Total work	14992	13690	13567	13860	13831	13846	14055	0.5%
	-2%	-9%	-1%	2%	0%	0%	2%	

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Employment – Scotland

	Employment			
	2017	2018	2019	2023
Senior, executive, and business process managers	14,130	13,590	13,330	13,010
Construction project managers	3,300	3,200	3,130	3,260
Other construction process managers	17,340	16,750	16,560	16,890
Non-construction professional, technical, IT, and other office-based staff	28,010	27,540	27,550	28,400
Construction trades supervisors	4,620	4,490	4,120	4,310
Wood trades and interior fit-out	22,840	22,320	22,850	21,480
Bricklayers	6,540	6,450	6,450	6,320
Building envelope specialists	4,340	4,280	4,360	4,100
Painters and decorators	8,950	8,890	8,940	8,860
Plasterers	3,110	3,090	3,140	3,010
Roofers	4,490	4,390	4,380	4,220
Floorers	2,810	2,550	2,380	2,130
Glaziers	2,080	2,070	2,140	2,190
Specialist building operatives nec*	4,540	4,440	4,420	4,160
Scaffolders	2,480	2,370	2,370	2,550
Plant operatives	4,690	4,620	4,470	4,440
Plant mechanics/fitters	4,090	4,000	4,000	3,860
Steel erectors/structural fabrication	2,250	2,220	2,230	2,150
Labourers nec*	11,930	11,630	11,460	11,480
Electrical trades and installation	19,040	18,530	18,660	17,690
Plumbing and HVAC Trades	12,580	12,060	11,840	12,060
Logistics	2,600	2,520	2,470	2,540
Civil engineering operatives nec*	2,450	2,440	2,510	2,680
Non-construction operatives	4,160	4,070	4,200	4,530
Civil engineers	6,960	6,910	6,900	7,430
Other construction professionals and technical staff	23,540	22,960	23,300	24,450
Architects	3,960	3,830	3,700	3,790
Surveyors	5,800	5,730	6,140	6,650
Total (SIC 41-43, 71.1 & 74.9)	233,630	227,940	228,000	228,640

*nec — not elsewhere classified

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Annual recruitment requirement – Scotland

Annual average recruitment requirement, 2019-2023	
	Scotland
Senior, executive, and business process managers	-
Construction project managers	-
Other construction process managers	420
Non-construction professional, technical, IT, and other office-based staff	90
Construction trades supervisors	-
Wood trades and interior fit-out	-
Bricklayers	-
Building envelope specialists	-
Painters and decorators	-
Plasterers	-
Roofers	70
Floorers	-
Glaziers	50
Specialist building operatives nec*	<50
Scaffolders	80
Plant operatives	-
Plant mechanics/fitters	-
Steel erectors/structural fabrication	<50
Labourers nec*	380
Electrical trades and installation	410
Plumbing and HVAC Trades	-
Logistics	70
Civil engineering operatives nec*	-
Civil engineers	200
Other construction professionals and technical staff	640
Architects	100
Surveyors	230
Total (SIC 41-43, 71.1 & 74.9)	2,790

*nec — not elsewhere classified

Source: ONS, Experian

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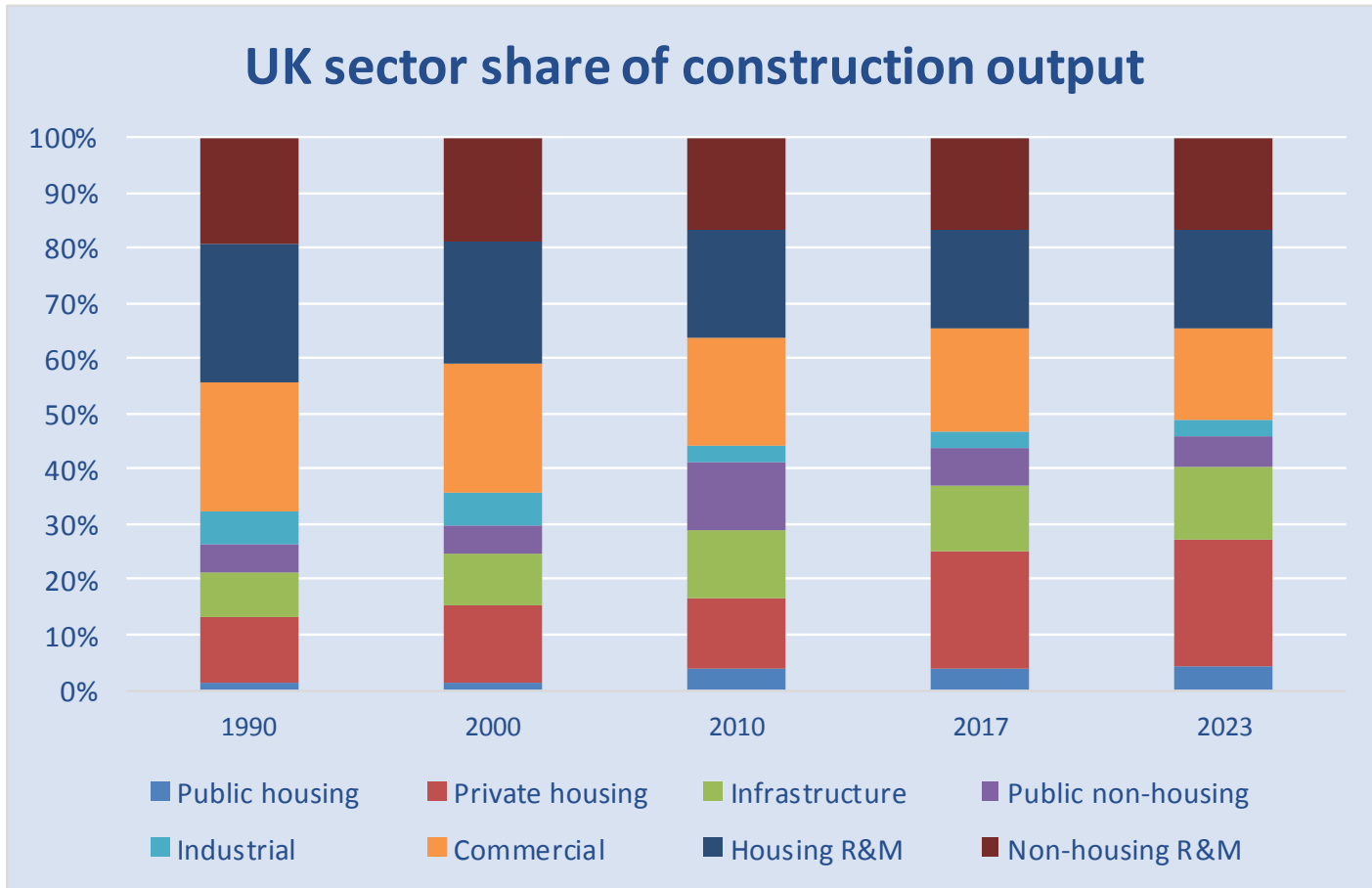


A reminder of the CSN footprint – 2017 vintage

Occupation group	Industry sector in main job								
	Agriculture, forestry and fishing	Energy and water	Manufacturing	Construction (CSN footprint)	Distribution, hotels and restaurants	Transport and communication	Banking and finance	Public admin, education and health	Other services
Senior, executive, and business process managers	1%	2%	11%	8%	13%	15%	30%	14%	5%
Construction Project Managers	0%	0%	8%	72%	2%	8%	5%	5%	0%
Other construction process managers	0%	4%	31%	35%	6%	10%	6%	6%	2%
Non-construction professional, technical, IT, and other office-based staff	0%	2%	7%	5%	26%	11%	26%	19%	4%
Construction Trades Supervisors	0%	9%	15%	57%	5%	3%	4%	5%	2%
Wood trades and interior fit-out	0%	0%	24%	69%	3%	0%	2%	1%	2%
Bricklayers	0%	0%	6%	86%	1%	1%	2%	1%	2%
Building envelope specialists	1%	1%	2%	84%	2%	1%	6%	3%	1%
Painters and decorators	0%	0%	2%	76%	2%	0%	18%	1%	0%
Plasterers	0%	0%	2%	97%	1%	0%	1%	0%	0%
Roofers	0%	0%	2%	97%	0%	0%	0%	1%	0%
Floorers	0%	0%	2%	87%	9%	0%	2%	0%	0%
Glaziers	0%	0%	43%	44%	12%	0%	1%	0%	0%
Specialist building operatives nec*	0%	5%	25%	29%	11%	3%	13%	10%	5%
Scaffolders	0%	6%	3%	85%	1%	2%	1%	3%	0%
Plant operatives	2%	7%	28%	29%	15%	13%	5%	2%	0%
Plant mechanics/fitters	1%	4%	38%	10%	32%	5%	5%	2%	3%
Steel erectors/structural fabrication	2%	2%	74%	12%	4%	1%	2%	1%	1%
Labourers nec*	1%	3%	5%	82%	2%	0%	3%	2%	3%
Electrical trades and installation	0%	7%	22%	42%	5%	10%	5%	2%	7%
Plumbing and HVAC Trades	0%	8%	6%	75%	3%	1%	3%	2%	2%
Logistics	1%	4%	12%	3%	33%	39%	4%	3%	1%
Civil engineering operatives nec*	0%	10%	11%	53%	0%	23%	1%	3%	1%
Non-construction operatives	0%	2%	15%	3%	10%	3%	42%	19%	6%
Civil engineers	0%	9%	6%	74%	1%	1%	3%	5%	1%
Other construction professionals and technical staff	0%	8%	36%	26%	4%	5%	9%	8%	3%
Architects	0%	0%	0%	88%	0%	0%	3%	1%	8%
Surveyors	0%	3%	3%	68%	1%	2%	18%	4%	1%

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Background information - the changing structure of UK construction



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Background information - no significant shift in structure of construction employment since 2002



**Over 50% of occupation in scope to construction*

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Thank you

