

Senedd Cymru
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Economi Gwyrdd
GE07
Ymateb gan: CITB Cymru

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Welsh Parliament
Economy, Trade, and Rural Affairs Committee
Green Economy
GE07
Evidence from: CITB Wales



Green Economy

CITB Wales response

1. Introduction

- 1.1 40% of emissions come from construction and the built environment. This means the construction industry has a big role to play in the journey to net zero by 2050 and in more widely underpinning the development of the green economy. From a skills perspective, it is a chance to increase diversity within the sector, open construction up to new pools of talent, retrain the workforce, improve the environment in which we work and the quality of the assets we build.
- 1.2 With that transition will come the opportunity to attract new talent to the construction industry and further diversify career routes as techniques and methods associated with Net Zero become mainstream, and existing trades adapt their own methods prompting upskills of the existing workforce.
- 1.3 Careful consideration and planning is required so that industry and those who wish to work in construction reap the benefits of this transition. In the following response we have provided evidence and insight for those questions linked to construction skills and education.

2. What skills challenges exist in relation to transitioning to a green economy? What actions should be taken, and by whom, to ensure the skills are there to meet the growing demands of a green economy?

- 2.1 Our comprehensive research report on [Building Skills for Net Zero](#) draws on in-depth interviews with 48 industry stakeholders and a detailed survey of nearly 300 people. The aim of the research is to outline the skills implications for the workforce of governments' commitment to achieve net zero by 2050. We also used Climate Change Committee data on their balanced scenario to model which skills will be required and to what extent over the next 30 years, for Wales, based on proposed solutions to the decarbonisation problem.
- 2.2 Our modelling suggests that an additional 12,000 FTE workers will be needed in Wales by 2028, primarily to deliver improvements to existing buildings to reduce energy demand. That represents an increase of around 11% on the current size of the workforce in Wales. Based on current technologies and ways of working, this has the potential to give thousands of people a valuable new career opportunity.
- 2.3 Within this we estimate that an additional 2,800 plumbers and HVAC workers will be required, primarily in the installation of heat pumps by 2028. The research also highlights that we require just over 2,500 project managers by the same date, this includes specific roles like Retrofit Coordinator. The

demand for Building Envelope Specialists (which includes insulation installers) in Wales will be 900 in 2028.

- 2.4 Whilst technical expertise and understanding will remain important the value and role of softer skills linked to leadership and teamwork should not be undervalued. Tradespeople will need to further develop their skills in these areas to work more collaboratively alongside each other.
- 2.5 Our industry survey as part of this research found that three quarters of respondents to the survey highlighted above, across the UK say that decarbonisation was either important or very important to themselves or their company. Furthermore, 70% say they have a good or very good understanding of how they will need to change their business because of the need to decarbonise, with a high proportion, 88%, saying they would be willing to diversify and 90% would retrain if necessary.
- 2.6 Whilst this shows a willingness in industry to adapt to the net zero future, the need to start that process of adaptation now is clear. More than three quarters (78%) of those we spoke to believe there will be a shortage of skills in their specific occupation when it comes to decarbonisation work. The most regularly cited reasons for the absence of appropriate skills in specific roles were lack of training, lack of funding for training, regulatory changes, and an absence of agreed standards in that particular occupation.
- 2.7 We know that industry is and must continue to play a pivotal role in driving the investment in training and skills to deliver our net zero ambitions in Wales. It is therefore important to recognise the factors which can act as a barrier to investing in training, both in terms of upskilling existing staff and attracting new talent to the industry.
- 2.8 In a recent CITB activity tracker which draws insight from the industry on business operations and perceptions about capacity, 1 in 4 of those that responded reflected that an unclear pipeline of work was undermining investment in skills and training. Without a steady and clear pipeline of Net Zero related work it isn't possible for many companies operating in the industry to invest in new skills and methods linked to Net Zero. It is that long-term approach that will help support and develop our understanding of the skills we need now and in the future.
- 2.9 Equally important is recognising the value of those already working within the construction industry. Providing opportunities for modular training that can be 'bolted on' to previously gained apprenticeships or other qualifications will allow employers to focus efforts on accessing skills needed in to move toward net zero.

2.10 The basis of that understanding should stem from our Further Education system, where approximately 14,000 learners¹ undertake construction courses each year. There are considerable advantages to understanding the experiences of each and every learner within this figure, by:

- Providing evidence about the learning experience of learners in further education
- Providing detailed information of the destination of learners six months after completion of their courses (as suggested in the Review of Vocational qualifications in Wales) which will enhance forecasting of the demand for employment and training in the industry by providing data on the flow into the construction labour force from those on training; and
- Investigating how the learning experience influences the outcome and planned future activities.

3. What will workers and employers need for a just transition to a Net Zero economy to be achieved, and what actions should the Welsh Government take to deliver the elements of this that lie within its devolved powers?

3.1 The workforce projection detailed above suggests that after an initial drop in employment in 2029 – mainly due to the completion of the majority of retrofit works employment is then sustained at an average of around 11,000 FTE. The drop in employment numbers seen in 2029 mostly affects those with lower-level qualifications. Consideration and planning is required to better understand how people in these roles would transition into other areas both within and outside of the construction industry.

3.2 In addition, the just transition should focus in on creating inclusive employment pathways building on the work that industry is already undertaking. Our [‘Best Practice Review: employment pathways into the construction industry for underrepresented groups’](#) highlighted why developing inclusive pathways are so important to a range of groups in society who may face barriers, including:

- Women entering the workforce are likely to face a number of specific barriers to employment arising from caring responsibilities and hostile organisational cultures.
- People not in education, employment or training (NEET) are likely to face a range of socioeconomic and individual barriers to employment that must be addressed by any NEET-focused pathway. These barriers should be identified during a comprehensive initial assessment process, and individual NEETs should be provided with extensive wrap around support with any soft skills training tailored to their specific needs.

¹ [Learning activities at further education institutions by subject and credit level \(gov.wales\)](#) (Accessed 21/01/24).

- Jobseekers from ethnic minority backgrounds may experience a wide range of barriers to employment, such as the heterogeneous nature of this group, although they are particularly likely to lack formal qualifications and to experience discrimination as a result of exclusive organisational cultures.
- 3.3 The practice review stresses the importance of acknowledging barriers to employment; pathways that prioritise technical skills alongside opportunities for personal growth; training which builds technical expertise alongside recognised qualifications; and maintaining a consistent emphasis on positive employment outcomes.
- 3.4 At CITB we support a range of initiatives aimed at addressing and helping people overcome the barriers they may face in considering and accessing sustainable employment within the construction industry. These include:
- *Fairness, Inclusion and Respect (FIR) Programme* - an industry-wide initiative that aims to make workplaces better for everyone. The programme provides free, industry-endorsed training and resources, guidance and materials, that supports businesses to be more innovative and profitable by addressing workplace culture challenges, and helps attract and retain people from the full pool of talent.
 - *Go Construct STEM Ambassadors* - CITB has partnered with the STEM Ambassador programme, creating an industry specific scheme to inspire the next generation of construction workers. Ambassadors often provide the first introduction to the construction industry, delivering a life-changing impact on future career decisions. They engage with young people across the UK, from schools and workplaces to careers fairs and events, sharing the fantastic opportunities available in the industry.
 - *Industry Insight Days* – Each year CITB supports activity for National Apprenticeship Week, International Women’s Day and Open Doors (an initiative that provides an opportunity for people to see an active construction site) and SkillBuild competitions at both a regional and national level. These provide invaluable opportunities to showcase the wide variety of people who work in the industry and the breadth of career on offer to prospective new entrants and career changers.