



Scotland - Workload Trends 2022 Q4

Workloads, orders and employment increased in Q4

Weighted Balances (%)

Change on 12 Months Ago

Workload

2021 Q4	+45
2022 Q4	+24

Tender Prices

New Work

2021 Q4	+86
2022 Q4	+85

R&M Work

2021 Q4	+85
2022 Q4	+89

Order Books

2021 Q4	+45
2022 Q4	+21

Over the Next 12 Months

Expected Workload

2021 Q4	+41
2022 Q4	-4

Expected Orders

New Work

2021 Q4	+9
2022 Q4	-13

R&M Work

2021 Q4	+5
2022 Q4	-22

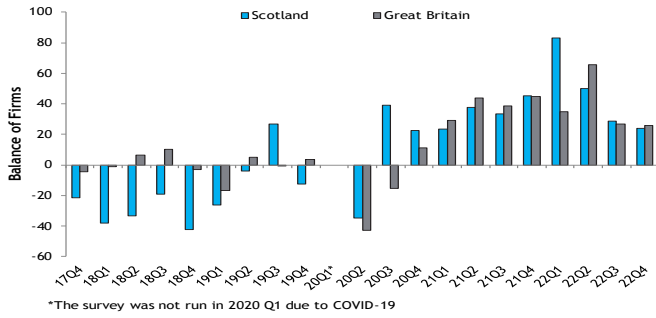
- Workloads rose in Scotland in Q4, according to 24% of firms, on balance.
- A balance of 21% of Scottish firms also reported that orders had risen in Q4.
- However, 4% of Scottish firms expected a decrease in workloads over the next 12 months.
- On balance, 13% of firms also expected a decrease in new work orders
- All Scottish firms experienced cost increases in Q4; 98% reported costs rising by more than 5%.

Change in Workload and Order Books – Scotland



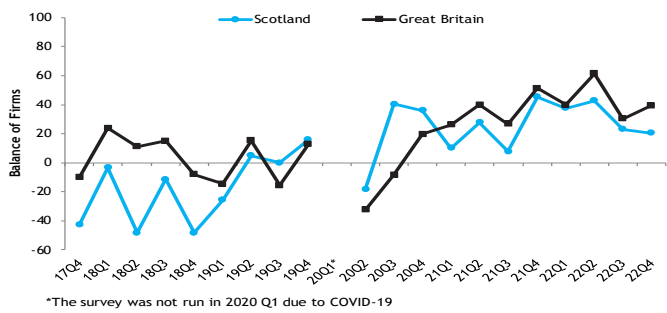
*The survey was not run in 2020 Q1 due to COVID-19

Workload Compared to 12 Months Ago



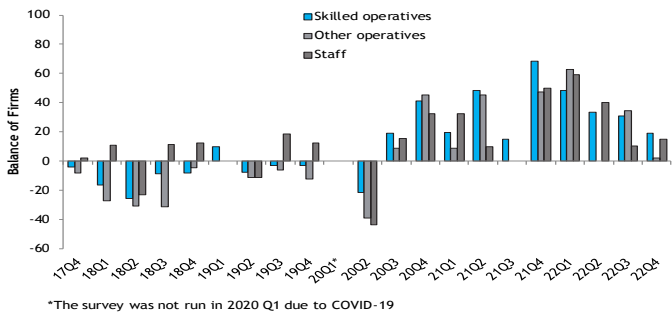
Workloads rose in Scotland, on balance, for a tenth consecutive quarter in 2022 Q4. On balance, 24% of respondents reported an annual increase in workloads, down from 29% in Q3 and 50% in Q2. Overall, 54% of the respondents reported that workloads had risen, and 30% reported that they had fallen. In Great Britain, 26% of firms, on balance, reported an annual increase in workloads, similar to the balance of 27% in Q3. In England, 40% of firms, on balance, reported that workloads had increased compared to 12 months ago, up from a balance of 29% recorded in Q3. In Wales, 31% of firms, on balance, reported an increase in workloads in Q4.

Order Books Compared to 12 Months Ago



Scottish civil engineering contractors saw order books rise in annual terms for a tenth consecutive quarter in Q4. 21% of respondents, on balance, reported that orders had increased compared to 12 months ago, down from 23% in Q3. Overall, 44% of respondents reported that orders had risen, and 23% reported that they had fallen. In Great Britain, 39% of firms, on balance, reported that orders had increased compared to a year earlier, up from 30% in Q3. In England, 56% of firms, on balance, reported an annual rise in orders in Q4, up from 42% in Q3. In Wales, 31% of respondents, on balance, reported an increase in order books during the quarter.

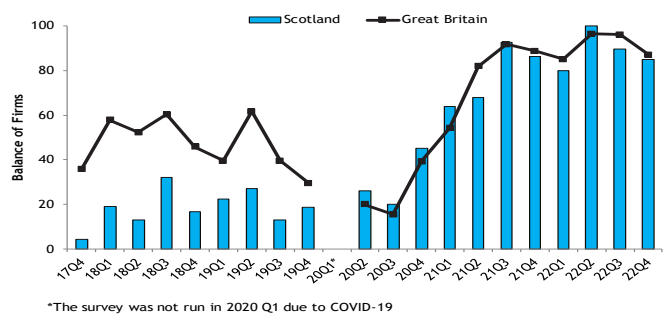
Employment Compared to 12 Months Ago



There was continued growth in employment in Scotland in Q4. 19% of firms reported that employment rose for skilled operatives, a balance of 2% of firms reported an increase in the employment of other operatives, and 15% reported an increase in the employment of staff. For Great Britain, the balances of firms reporting an increase in the employment of skilled operatives, other operatives and staff were 35%, 24% and 36%, respectively. In England, balances were similar to Q3 across all three types in Q4; 46% for skilled operatives, 44% for other operatives and 47% for the employment of staff. In Wales, 15% of firms reported an increase in the employment of skilled operatives, 33% reported an increase in the employment of staff, but 15% reported a decrease in the employment of other operatives.

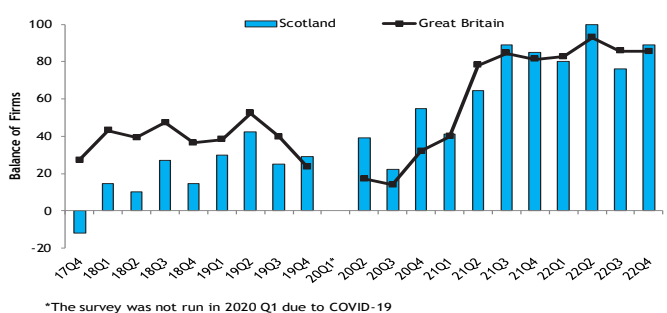
Tender Prices

Tender Prices of New Work



In Scotland, 85% of firms, on balance, reported that tender prices for new work increased in Q4 compared to a year ago. In Great Britain, a balance of 87% of firms reported an increase in tender prices for new work, down from the record-high balance of 96% in Q3 and Q2. In England, 89% of firms, on balance, reported an annual increase in tender prices for new work, down from a record-high balance of 99% in Q3. In Wales, 62% of respondents, on balance, reported an increase in tender prices for new work, which follows three quarters where there has been a 100% balance.

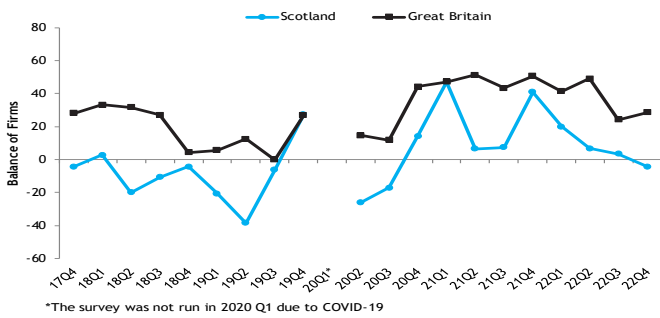
Tender Prices of R&M Work



In Q4, 89% of Scottish firms, on balance, reported that tender prices for R&M work were higher compared to a year earlier. This was up from a balance of 76% in Q3. In Britain, a balance of 85% of respondents reported an annual increase in tender prices for R&M work, largely unchanged from a balance of 86% in Q3. In England, the balance for annual tender prices for R&M work was 87%, down slightly from a record high of 89% in Q3. In Wales, a balance of 89% of firms reported an annual increase in tender prices for R&M work in Q3. Like new work, this follows three consecutive quarters of 100% balances.

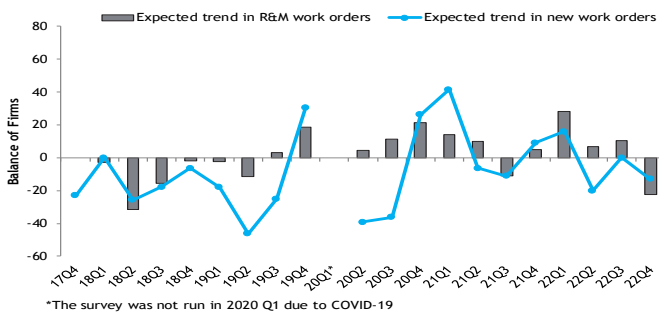
Expected Future Trends

Expected Workloads in the Next 12 Months



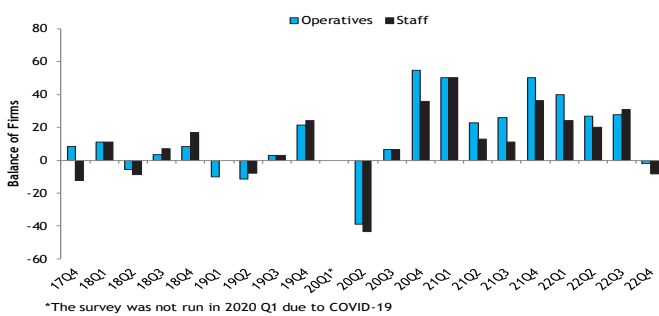
The balances for future workloads turned negative in Q4. On balance, 4% of Scottish firms expected workloads to decrease over the next 12 months, marking the first negative balance since 2020 Q3. In Great Britain, 29% of firms, on balance, reported that they expected workloads to increase over the next 12 months. 47% of all respondents expected workloads to increase, and 35% of respondents expected workloads to remain unchanged. In England, 402% of firms expected workloads to increase over the next 12 months and workload expectations for the coming 12 months also remained positive in Wales, with the net balance at 46%. Both balances improved from 22% and 19% in Q3, respectively.

Expected New Orders in the Next 12 Months



The balances for expected new orders deteriorated in Q4 for Scottish firms. On balance, 13% of firms expected orders to decrease in new work, whilst a balance of 22% expected orders for R&M to decrease. In Great Britain, 16% of firms, on balance, expected order books for new work to increase over the coming year, and for R&M orders, a balance of 7% expected a decline. In England, 25% of firms, on balance, anticipated growth in new work orders over the coming year but 8%, on balance, expected R&M orders to decrease. In Wales, 15% of firms, on balance, expected orders for new work to increase over the next 12 months, but 60%, on balance, expected a decline for R&M.

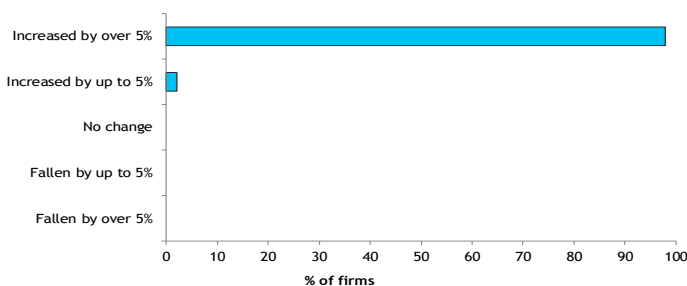
Expected Employment in the Next 12 Months



In Scotland, hiring intentions for the next 12 months remained turned negative in Q4. On balance, 2% of firms expected employment of operatives to fall and 9% of firms also anticipated staff employment to decrease over the coming year. In Britain, on balance, 28% of firms expected both employment of operatives and employment of staff to increase. In England, 37% and 44% of firms expected the employment of operatives and staff to increase, respectively. In Wales, hiring intentions turned positive, with 38% and 54% of firms expecting the employment of operatives and staff to increase over the next 12 months, respectively.

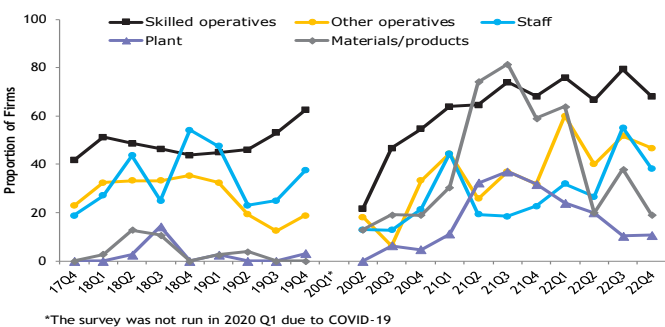
Costs and Supply Constraints

Change in Costs Compared to 12 Months Ago



All firms in Scotland, on balance, reported that costs increased over the last 12 months in Q4. This was the fifth 100% balance recorded in the last six quarters. In addition, 98% of firms reported that costs had increased by over 5%. In Britain, 99% firms, on balance, reported an annual increase in costs, and similarly, 91% of firms reported rises of over 5%. In England, costs were reported higher by a balance of 96% of firms and in Wales, all firms reported an annual increase in costs. This was the fourth consecutive quarter that a 100% balance has been recorded for Wales.

Contractors Unsatisfied with Supply



In Scotland, 68% of firms reported dissatisfaction with the supply of skilled operatives in Q4. 47% and 38% of firms also cited dissatisfaction with the supply of other operatives and staff, respectively. The proportion reporting issues with the supply of materials/products was 19% (38% in Q3), whilst 11% of firms also cited dissatisfaction with the supply of plant, similar to 10% in Q3. In Britain, 69%, 50% and 46% of firms reported dissatisfaction with the supply of skilled operatives, staff and other operatives, respectively. The percentage citing issues with the supply of materials/products was 26%, whilst 16% reported issues with plant. In England, the most cited supply issue was skilled operatives (68%). In Wales, 77% of firms reported issues with the supply of both skilled and other operatives, and 69% with staff.

Workload Trends Survey

	Q4	2019Q1	Q2	Q3	Q4	2020Q1**	Q2	Q3	Q4	2021Q1	Q2	Q3	Q4	2022Q1	Q2	Q3	Q4
Workload (% balance)	-42	-26	-4	+27	-13		-35	+39	+23	+24	+38	+33	+45	+83	+50	+29	+24
Expected Workload (% balance)	-4	-21	-38	-6	+27		-26	-17	+14	+47	+6	+7	+41	+20	+7	+3	-4
Order Books (% balance)	-48	-26	+5	0	+16		-18	+40	+36	+10	+28	+8	+45	+38	+43	+23	+21
Expected New Orders (% balance)																	
<i>New Work</i>	-6	-18	-46	-25	+30		-39	-36	+26	+42	-6	-11	+9	+16	-20	0	-13
<i>R&M</i>	-2	-3	-12	+3	+19		+5	+11	+21	+14	+10	-11	+5	+28	+7	+10	-22
Employment (% balance)																	
<i>Skilled operatives</i>	-8	+10	-8	-3	-3		-22	+19	+41	+19	+48	+15	+68	+48	+33	+31	+19
<i>Other operatives</i>	-4	0	-12	-6	-12		-39	+9	+45	+9	+45	0	+47	+63	0	+34	+2
<i>Staff</i>	+12	0	-12	+19	+12		-43	+15	+33	+32	+10	0	+50	+59	+40	+10	+15
Expected Employment (% balance)																	
<i>Operative jobs</i>	+8	-10	-12	+3	+21		-39	+6	+55	+50	+23	+26	+50	+40	+27	+28	-2
<i>Employment of staff</i>	+17	0	-8	+3	+24		-43	+6	+36	+50	+13	+11	+36	+24	+20	+31	-9
Costs*																	
Costs Compared with 12 Months Ago (%)																	
<i>Falling</i>	0	0	0	0	0		0	2	0	0	0	0	0	0	0	0	0
<i>Unchanged</i>	0	2	0	0	0		0	4	0	0	0	0	0	0	0	0	0
<i>Slower</i>	4	2	8	9	9		13	15	17	19	3	0	0	0	0	3	0
<i>Same rate</i>	94	90	85	84	85		65	64	67	64	58	56	14	15	0	14	2
<i>Faster</i>	2	5	8	6	6		22	15	17	17	39	44	86	85	100	83	98
Cost (%) Balance	+96	+93	+92	+91	+91		+87	+72	+83	+81	+97	+100	+100	+100	+100	+97	+100
Tender Prices (% balance)																	
<i>New work</i>	+17	+22	+27	+13	+19		+26	+20	+45	+64	+68	+93	+86	+80	+100	+90	+85
<i>R&M</i>	+15	+30	+42	+25	+29		+39	+22	+55	+41	+65	+89	+85	+80	+100	+76	+89
Supply of Resources Required (%)																	
<i>Skilled Operatives</i>	44	45	46	53	63		22	47	55	64	65	74	68	76	67	79	68
<i>Other Operatives</i>	35	33	19	13	19		18	6	33	44	26	37	32	60	40	52	47
<i>Staff</i>	54	48	23	25	38		13	13	21	44	19	19	23	32	27	55	38
<i>Plant</i>	0	3	0	0	3		0	6	5	11	32	37	32	24	20	10	11
<i>Materials and Products</i>	0	3	4	0	0		13	19	19	31	74	81	59	64	20	38	19

*Discontinuity in series due to an amendment to the question in order to collect more detailed information on the degree of cost change.

**Please note that the Workload Trends Survey was not run in 2020 Q1 due to the impact of the coronavirus (COVID-19) on the response rate.

About the Civil Engineering Contractors Association (CECA) and Scotland Workload Trends

The number of contractors taking part in CECA's 2022 Q4 Scotland survey totalled 24. The survey responses are weighted by size of firm to ensure that results are representative of the industry. The results displayed are typically weighted balances and are calculated by taking the difference between firms reporting an increase in workloads, for example, and the proportion of firms experiencing a fall.

CECA has over 300 member firms which carry out more than 80% of all civil engineering work in Great Britain. The quarterly CECA survey of civil engineering workload trends, in which more than a third of the membership takes part, tests for changes over the past year in contractors' workload, workforce, order books, cost trends, and tender prices. It also examines the supply situation for key resources, and contractors' expectations of trends in new orders and employment in the coming 12 months. Full reports of the CECA survey are available to non-members; £30 per single copy or £100 for an annual subscription.

Enquiries to: Huston Gilmore, CECA, 1 Birdcage Walk, London SW1H 9JJ T: 020 7340 0454
E-mail: hustongilmore@ceca.co.uk, Website: www.ceca.co.uk