



BUILDING the **UK** of the **FUTURE**



THE CHARTERED INSTITUTION
FOR FURTHER EDUCATION



**ST. MODWEN
HOMES**

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FOR FURTHER EDUCATION



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Forewords



The Rt Hon the Lord Lingfield
Chairman
The Chartered
Institution
for Further
Education

This report is an important one because the construction industry adds enormous value to this country. It provides a great many jobs, its output is essential for commerce and for housing and its activities underpin the wider economy in so many ways. It has been given by government the task of providing millions more homes together with their infrastructures. Yet it faces the serious challenge of growing a skilled workforce to meet these goals, especially now in a post-Brexit Britain.

The research on which our recommendations are based was informed by interviews with five associations (from both further education and the construction industry), twelve further education providers, three large employers within the industry, eleven house building sub-contractors (all SMEs), two construction affiliated organisations and also the Education and Skills Funding Agency. We are grateful to them all for their generous co-operation.

It is clear that, in order to produce more qualified young people who can look forward to worthwhile careers in the construction industry, schools, further education providers, employers and government must all play

their parts in working collectively to remove some of the barriers to progress identified in the next pages, and to cure as many as possible of the problems outlined in this report.

It is our intention that this report will be the first of a series of research initiatives undertaken by the Chartered Institution for Further Education. All, we hope, will aid employers across a wide range of business sectors to obtain the highly skilled workforces that the UK will need if it is to remain commercially competitive in a fast changing world.



Dave Smith
Managing Director
St Modwen
Homes

We are proud to be supporting this important research at a time when the country faces a continued skills shortage challenge within housebuilding and construction. It is becoming increasingly clear that there is no silver bullet when it comes to equipping our industry with the range and depth of skills we need. As this report shows, there are a range of ways in which the sector can be supported, and people and organisations need to step up, including housebuilding, construction and property industries. A collective effort is required and the onus is on us all, involving Government, colleges, schools, training providers, associations and industry bodies.

If there is one general thread that tends to run through successful examples of good skills development, it is probably that of innovation, collaboration and open mindedness. Such characteristics lead to progressive outcomes and, in our experience, tend to have a sharper impact than simply adding new rules or calling for additional funding in isolation. It is a willingness to evolve and find new solutions which seems to be a key way to keep pace with the needs and expectations of today's world. Those who innovate and collaborate with others are much more likely to thrive and support this sector long into the future. We recognise the need to think about, or

perhaps rethink, our sector as a credible and worthwhile career choice. We should be proud of what we have achieved, welcome diversity and promote an image that is admired and respected. While businesses like ours have a huge role to play in leading this charge, everyone associated with housebuilding and construction has the right, and probably the duty, to be an ambassador for everything that's great about our sector and to act as a champion for ongoing progress.

Introduction

The construction and house-building sector adds enormous value to the UK, through jobs, physical output and the foundation it provides for economic development. Workforce challenges in the shape of skills shortages, limited diversity and complex labour migration issues connected to the UK's departure from the European Union are impeding the industry's capacity to grow at the rate required to secure ambitious, but essential, developments in infrastructure and the built environment. A failure to find solutions that will affect the necessary increases in the skilled construction workforce, and also meet the replacement demand associated with a maturing employee population, would place the country at a disadvantage economically and socially.

Demand for skilled labour in the construction sector is growing as the number of new jobs required continues to rise each year in response to significant infrastructural development, transport expansion, urban regeneration and residential house-building. The scale of opportunity for the sector is huge but the supply of talent needed to realise it is too small. An aging workforce also compounds the difficulty as the industry must meet replacement demand alongside skills for new jobs.

Skills shortages have a clear impact on the overall productivity of the construction sector. The *Financial Times* has reported that the UK's productivity has grown by nearly 30 per cent since 1997, while the construction industry has grown by less than 10 per cent. This has led to increased costs and puts the UK at risk of being unable to modernise its current

infrastructure at a pace needed to support continued economic growth.

Anticipated shifts in the shape and size of the available skilled workforce because of potential changes to labour migration patterns resulting from Brexit, and the economic imperative to drive up productivity post Brexit, mean the need for effective solutions, not only to tackle existing shortages but also to prevent the current problem from escalating further, is urgent.

Background

The estimated UK construction industry growth rate is 1.3 per cent, which is below forecast UK annual GDP growth of 1.6 per cent for 2019-23. Demand for construction jobs has risen. The Construction Industry Training Board (CITB) forecast, the most comprehensive of its kind, shows that the number of new jobs needed for 2019-23 (168,500) exceeds the requirement of 158,000 forecast in the previous year. In fact, construction employment

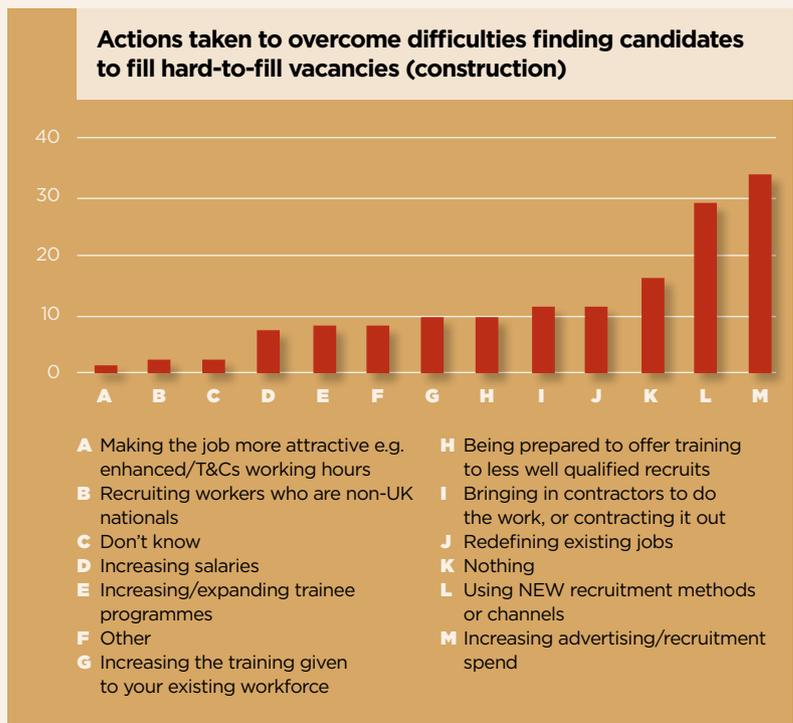


PHOTO JAMIE STREET



168,500
 new jobs required in UK construction for 2019-23

2.79M
 number of UK construction employment jobs expected in 2023

1.3%
 estimated 2019-23 UK construction industry growth rate

is expected to reach 2.79 million in 2023, just 2 per cent lower than the 2008 peak¹. While more people are needed across the industry, skills shortages are the major challenge for the construction sector. As a proportion of all vacancies in the sector, the density^{*1} of skill shortage vacancies was highest in construction where almost two-in-five were proving hard to fill due to insufficient numbers of applicants with appropriate skills, qualifications or experience.² The industry is acutely aware of its skills shortage issues but is struggling to address the problem. The Employer Skills Survey (ESS) 2017 found that although around 30 per cent of those employers facing hard-to-fill vacancies said they had increased their spend on advertising/recruitment or were using new channels to recruit, when asking what actions had been taken to overcome the difficulties of filling vacancies, the next most common response was ‘nothing’.

Report scope

Skills shortage challenges are complex, cross cutting issues that require consideration of the system as a whole in order to understand the inter-relational nature of the problem and address root causes. This research project explored the reasons for the workforce challenges; the desirability of the sector as an employer and external perceptions of the industry; the composition of the industry and the profile of the current workforce; workforce retention issues; and discusses how and who trains the workforce, the way skills acquisition is financed and considers the impact of a further education

system in flux from ongoing and perpetual reform and political inconstancy. The work is informed by interviews with five industry associations from the FE and construction sectors, twelve FE providers, three large employers, eleven house-building supply chain subcontractors (SME employers), two construction affiliated organisations, and the Education and Skills Funding Agency (ESFA). The report identifies progress being made through innovative collaboration across education, construction and government to solve some of these issues, introducing case studies which serve as important examples of action that is working and critical learning points.

The findings and emergent themes lead to the recommendations for further actions needed to tackle the problem decisively, enabling the construction industry to grow at a faster pace and increase the likelihood of meeting the needs of the UK. ■

^{*1} Density is defined as the proportion of skill shortage vacancies as a percentage of all sector vacancies

Key findings

Construction skills training is vital to the growth and development of the workforce now and into the future. Current funding structures, however, do not reflect this value. There are shortfalls in the wages that construction trainers can draw, impacting recruitment in these vital roles. The cost of training delivery, predominantly in full time provision, has exceeded funding. This has resulted in cessation of some key courses that are simply no longer viable. This trajectory cannot continue. Even with the additional support provided through CITB, which, is not guaranteed beyond 2020, the construction training system is struggling. As CITB divests its training facilities, it is feasible that other FE providers may also be forced to close or liquidate land and buildings used for construction training. The loss of these systems and infrastructure would be devastating for the industry and counter-productive to the needs of the sector.

Industry, the Government and FE providers must continue to find solutions, both through traditional funding and policy measures, and through innovative partnerships to avoid this. The Government needs to support proactively the delivery of quality training to the construction industry. Additional or unnecessary administration serves only to reduce the capacity of funding-strapped providers.

All players in this space need to prioritise communication and partnerships as the basis for innovative, shared and scalable solutions. Evidence emerging from the research shows the achievements that are possible when industry and FE providers unite in purpose and practical action to overcome the barriers presented by funding limitations, bureaucracy or outdated systems.

The Government's commitment to the apprenticeship levy has been well received by employers and FE providers. Still in its infancy, there are areas that require adjustment if it is to fulfil its purpose of driving quality apprenticeships in greater numbers. There is an absence of clarity among businesses and providers over the Government vision for the levy and its primary purpose; should it support entry level skills development or development of the existing workforce through up skilling and reskilling, or both? The vision for and purpose of the levy needs

clarification and must be backed up by sound policy decisions to support the scale of ambition. If the levy's purpose is indeed entry level skills development and a pathway to skilled employment, there needs to be a solution to increase access to apprenticeship training for non-levy paying employers.

Effective promotion of the construction industry is occurring in pockets across the UK. Ambassador programmes are operating through leading construction associations, provider networks and government agencies.

There are breakthroughs in the area of school careers advice and engagement as a result of positive policy developments in the form of the Baker Clause*² and Gatsby Benchmarks*³. There is an imperative for these programmes to learn from one another, develop scale and avoid duplication in order to maximise benefits for the industry, school leavers and job seekers and ensure a consistent approach across the education system.

The complex composition and structure of the multi-tiered construction industry requires support from key industry bodies to modernise operations across organisations at all levels within the supply chain. Opinions on the social commitments and ethics of large construction companies are divided. There are organisations in this cohort that are leading the way to positively influence the reputation of the industry through proactive engagement in schools

*² The Baker Clause is a regulation introduced in January 2018 that requires secondary schools in England to allow external education and training providers to have access to their pupils to provide information, advice and guidance on technical and vocational programmes and qualifications available outside of the school. The Clause takes the name of the Conservative peer, Lord Baker, who advocated for improvements to advice and guidance in schools, specifically a parity of emphasis on technical career and further education routes alongside traditional academic progression pathways

*³ The Gatsby Benchmarks are described by the Careers and Enterprise Company as "a framework of 8 guidelines that define the best careers provision in schools and colleges". A full list of the 8 Gatsby Benchmarks can be found in Appendix 2

and FE providers and through modernised human resources, flexibility and wellbeing programmes within their own companies. The industry needs leaders, both individual and collective bodies, to assist those companies in the sector not yet on this pathway. Construction companies of all sizes need to be involved in policy making, community engagement, shaping the curriculum of the industry and, importantly, in providing workplaces that meet the requirements and expectations of the future workforce.

Automation and digitisation are already disrupting the construction and housebuilding industries. It is clear that the quality of the relationships and cooperation between schools, further education providers, the Government and employers determines the extent to which the construction and housebuilding sector can build a skilled pipeline

of talent capable of deriving benefits from such technological advancements.

This report makes an important contribution to the national discussion on skills, highlighting collective opportunities to address the serious challenges faced by the construction industry. It recognises the importance of connectivity between organisations, communication of ideas and sharing of practice for continual learning, improvement and innovation.

It is together that the industry can solve these issues and generate solutions; not in silos; and not through audits. Find what works, do more of it. Free up funds for priority measures. Ensure austerity measures do not force a backward step in this trajectory. The construction industry is too important to the country not to foster prosperity, quality and productivity for all who engage within it. ■

Government needs to decide on the vision for the levy – is it to support entry level skills development or workforce development through up skilling and reskilling, or both?

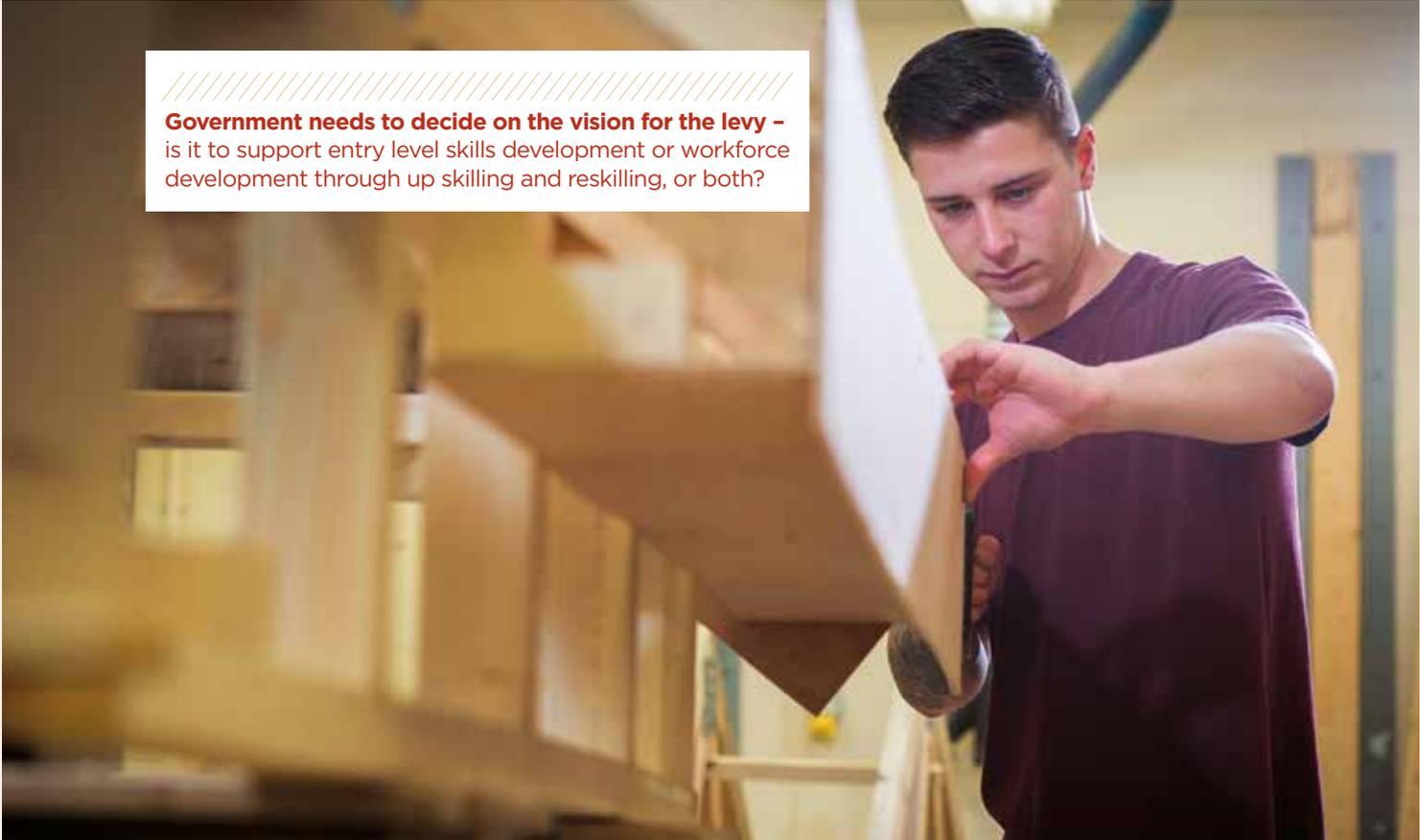


PHOTO COURTESY OF EAST RIDING COLLEGE

Recommendations

Training in the construction industry

- 1 The **Government** should provide funding solutions in the training sector with a minimum duration of three years to allow businesses and training providers to have confidence to plan and invest appropriately.
- 2 The **Government** should specifically fund and underwrite existing construction infrastructure in colleges to preserve this function of training.
- 3 **CITB** should expand its remit within its 2019-2021 business plan to consider the attraction of appropriate teachers for the construction industry at FE providers.
- 4 The **Government** should set a clear purpose for the apprenticeship levy scheme to allow policy and funding decisions to be made accordingly.
- 5 The **Government** should underwrite funding for entry-level training, in particular for non-levied employers.
- 6 **Colleges** should make their infrastructure available to independent training providers for use in training delivery.
- 7 The **Government** should review the registration requirements for the Register of Apprenticeship Training Providers to minimise bureaucracy and remove duplication with other forms of inspection, audit and quality assurance.

The role of business in developing the construction workforce

- 8 The **Government** should undertake a formal review into the ‘apprentice training agency’ model and consider funding the administrative costs of ATAs in skills need industries, such as construction, in order to support a strong flow of apprentice training.
- 9 The **Government** should promote innovative projects in levy sharing to support the distribution of funding on a regional and industry basis.
- 10 The **Government** should consider simplification of the levy transfer process to remove both the actual and perceived risk profile from levy-paying employers who are transferring funds, and minimise bureaucracy for receiving non-levy payers.
- 11 **Businesses and local industry** should actively seek strong partnerships with Colleges and ITPs in order to influence design and content of curricula, development of modern infrastructure, establishment of real world learning environments (RWLE), and to provide opportunities for trainers to maintain currency of industrial practice.
- 12 **Colleges** and ITPs should have annual engagement plans that are published and reported against and inspected by Ofsted.



Attracting talent

- 13 **Ambassador programmes** should actively prioritise using female construction apprentices and recent female graduates in their programmes.
- 14 **ESFA**, through its Apprenticeship Support and Knowledge for Schools and Colleges (ASK) programme, should map the existing apprenticeship ambassador programmes across the UK and create a community of practice for such programmes to support their growth and success.
- 15 **ESFA** should provide funding to apprenticeship ambassador programmes through a grant process to support their operations.



PHOTO COURTESY OF EAST RIDING COLLEGE

- 16 Strengthen support for **Institute for Public Policy Research's** recommendation for Ofsted to increase schools' compliance with the Baker Clause (*for an explanation of the Baker Clause, please refer to page 06*), by linking it to inspection grades to drive quality careers advice in their operations.
- 17 **Further research** should be undertaken into 'high employment industries', the employment opportunities available as a result of industry grouping, and appropriate marketing strategies that could be adopted.

Retaining talent

- **Construction associations and leading bodies** should prioritise supporting SMEs to increase their offering in workplace benefits and wellbeing in areas such as work-life balance, support for an aging workforce, travel to sites, and job sharing.

Training for the construction industry

PHOTO MAX LAROCHELLE



Challenges in FE

Training for current employees and industry entrants in the sector faces challenges even before the issue of sector growth can be addressed. There is a dual issue of skills shortage in recruitment and skills gaps within the existing workforce.

Training for the construction sector is inherently intertwined with the fortunes and challenges of the FE sector that has traditionally provided technical and vocational skills for the industry; both through full time and part time programmes for school leaver age students and adults, as well as apprenticeships. Many FE providers have also offered training and development up to degree level and linked to career progression in the sector.

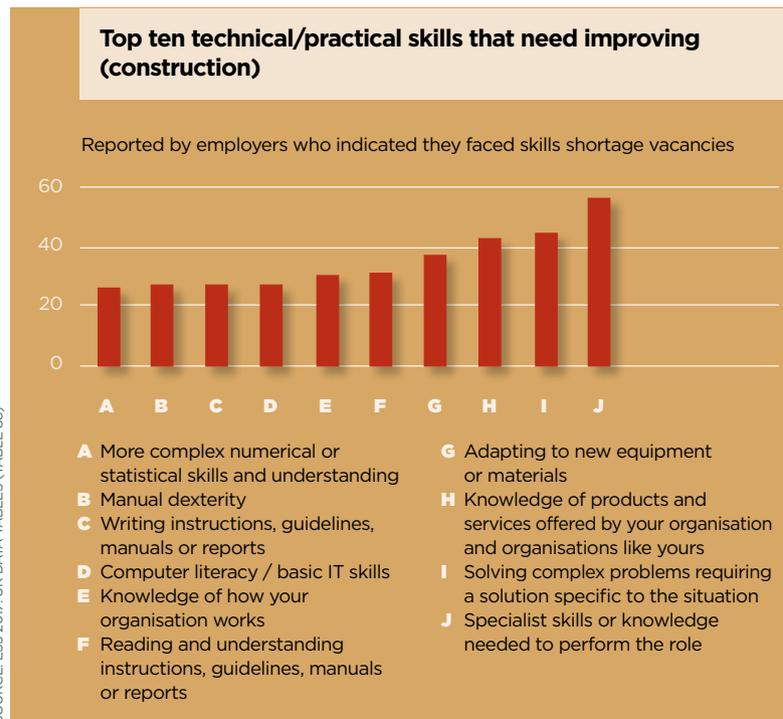
FE colleges and independent training providers (ITPs) continue to aim for quality and modern techniques in their delivery of construction training, however aging infrastructure, attracting and retaining teaching staff, technological advances in the construction industry and excessive regulation pose barriers to advancements in the delivery.

Construction skills infrastructure

The majority of fully-fledged construction training tends to happen in colleges, rather than independent training providers, owing to the situation of capital intensive infrastructure. Colleges are, however, at risk of not retaining construction training facilities if they cannot maintain learner numbers and

appropriate trainers. Construction facilities are a significant capital investment and an asset to the sector. Once facilities are lost, they may never get them back due to the investment and space required. CITB⁵ has committed to selling its training site, which was established in 1964, by 2020.

Dudley College in the West Midlands has invested in a range of campuses to reflect the variations in



SOURCE: ESS 2017; UK DATA TABLES (TABLE 88)⁴

Case Study

Dudley College partnering with independent training providers to maximise utility of infrastructure

Through its newly established Advance Technical & Construction (ATEC) Centre, Dudley College of Technology (DCT) is working exclusive partnership with a leading Roofing manufacturer, Langley Waterproofing who until recently have worked as Independent Training Providers in the roofing sector. The partnership is also supported by the National Federation of Roofing Contractors (NFRC) has been enacted to enable the College to develop an employer-led industry responsive arrangement to co-deliver elements of the Roofer Level 2 Apprenticeship standard.

ATEC's 1-hectare site and infrastructure located in central London provides the facilities for the roofing rigs to be housed in simulating the industry environment



required for the delivery of the Apprenticeship, which is currently not available elsewhere nationally. The first of three cohorts of learners began their respective programme in November 2019 with two further groups starting in 2020.

construction training required in the region. It has two construction campuses, both built and operated in consultation with industry. One is a traditional construction methods campus, and the other a more recent, modern methods of construction campus. Industry and independent training providers have ready access to both facilities for input into training and curriculum, for use of meeting rooms, and for engagement with students for the purposes of training and recruitment.

Modernising construction methods and teaching

Due to funding restraints on the sector, it is increasingly difficult for FE providers to self-fund the investment in estates and technologies needed for training. Some providers have found alternative options; via a mix of co-investment through public funding, partnerships with industry and loans.

Updating technology alone to meet future skills requirements – including digital technology, virtual reality (VR) and other systems – requires significant investment. As other modern construction methods continue to develop, further investment is required.

In the construction industry, there is increasing investigation of, and investment in, offsite construction methods. Currently this form of construction is labelled as engineering, and therefore sits outside of specific funding programme scopes such as those offered by the CITB. The CITB surveyed over 1000 construction companies in 2017



PHOTO COURTESY OF ST MODWEN HOMES

programme has since been tailored to cover Reinforced Bituminous Membrane (RBM) and single ply roofing that incorporates the skills, behaviours and knowledge competences required for the future workforce. The model of delivery is delivered flexibly across a block format to ensure that any perceived challenges for off the job training are overcome to maintain productivity and add value for businesses.

The programme has been designed to embed specific skills interventions of the standard for waterproof membranes installers (option 2) with competences covered; interpreting drawings, measuring and calculating the required amount of materials for roofing work, how to install vapour control layers, maintain flat or pitched roofs. Without this partnership the skills shortages in this sector would not be addressed. The college believes that this collaboration is the only delivery of this new apprenticeship currently in the UK.

The partnership has involved in depth industry skills and employment consultation to research the industry's workforce occupational profile and the recruitment challenges as a result of issues such as an ageing workforce. The

and found that: 27 per cent of construction employers believe that 25+ per cent of their workforce require offsite construction training within 3-5 years. These will require higher-level qualifications.

There are some outstanding examples where partnerships between providers and employers are assisting to bridge this gap in modern teaching and construction methods.

Attracting trainers

FE providers consistently reported difficulty in attracting, recruiting and retaining trainers. Professionals in further education are dual qualified both as teachers and also as practitioners in their industry specialism. Static funding means that there is a widening gulf between rates of pay in FE and those that industry can offer with the consequence that providers struggle to attract and retain people in teaching. This challenge becomes more pronounced in high skills demand subjects, not least construction.

St Modwen Homes has recognised this barrier to quality teaching delivery and has worked with Burton and South Derbyshire College to set up a bursary that co-invests in construction trainers to attract the right talent. Bursary recipients are required to demonstrate growth in their own academic qualifications within the construction sector.

Blackpool and the Fylde College has taken a different approach, titled 'teach last'. This initiative seeks to appeal to craftsmen who have worked in industry all their life and due to personal factors – possibly health or simply seeking a change of pace – are attracted by the opportunity to give back to the industry and community through teaching. Where individuals with these values align, this pitch has been effective for the college.

CITB's 2019-2021 business plan⁶ highlights that one of its priorities is to “swiftly address specific skills needs through ... provide(ing) training to assure the competency of trainers and assessors”. Training providers, however,



PHOTO COURTESY OF CONSTRUCTION YOUTH TRUST

rules attached to various programmes and their funding models add to the complexity of the system, while seeking to create a revised model for delivery. Stakeholders in the sector are constantly coming up against barriers in their planning, and struggle to define clear objectives within the system. In addition, devolution within the policy and funding space causes both opportunity and additional confusion, depending on who you are speaking to. The division in decision-making between Department for Education (DfE), Education and Skills Funding Agency (ESFA), Institution for Apprenticeships and Technical Education (IfATE) and devolved authorities causes frustration and confusion amongst employers and providers who are constantly seeking to keep up with changes in the sector.

Continued changes mean that FE providers are somewhat hamstrung in their ability to make long term business plans and invest in staff and infrastructure. Curriculum is planned on the basis of advanced labour market predictions and employer intelligence. Providers look to Local Enterprise Partnerships (LEPs) and other authorities for input into future skills needs. The absence of secure and long term funding commitments from government makes the development and future planning

of provision to meet the identified skills needs extremely difficult. The transactional nature of the funding system tied to an annual, and thus short term, financial cycle, impedes providers and industry from being able to adopt strategic approaches to complex problems and develop step changes in

tackling some of the significant skills issues.

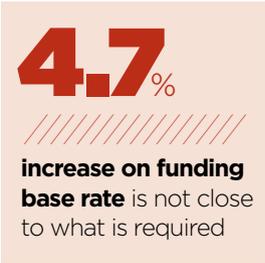
The construction industry could develop their long term skills pipeline through greater cooperation with local authorities and education providers. By coordinating a skills plan, employers can advise education providers how many jobs they'll need and by when. Colleges would be able to develop their curricula to respond to this need, attracting more students who know that they will be employed as soon as they've finished their course.

identify that the issue is not so much about the competency of the trainers, but with the ability to attract them in the first instance.

The Independent Panel on Technical Education (2016)⁷ stated that, having examined practices in other countries, it was clear that “stable institutions with appropriate infrastructure for the delivery of technical education, including high-quality teaching and access to industry-standard facilities and equipment” is required in order to have a high-performing system of technical education. It is clear from this research that colleges and independent training providers are facing barriers to both of these.

Business planning

There are many changes occurring in the arena of apprenticeships and FE policy and regulation, including T-Levels, the apprenticeship levy, and the transition to apprenticeship standards^{*4}. Conditions and



^{*4} The ESFA describes apprenticeships standards as “new high-quality employer-designed apprenticeships”

The introduction of devolved Adult Education Budget (AEB) funding has added a layer of complexity for providers in some areas, but devolution, in itself, is not perceived negatively; in fact, positive feedback is focused on devolved authorities. West Midlands Combined Authority (WMCA) was consistently mentioned as being a strong, positive authority with vision and integrity. The elements that were cited as making the WMCA successful included the commitment from the Chief Executive, the appointment of knowledgeable decision makers from the FE sector who understand the nature of the delivery, policy and funding they are overseeing, and a five to ten year strategic plan for the region.

Colleges are at risk of not retaining construction training facilities if they cannot maintain learner numbers and appropriate trainers

Funding sufficiency for the future

FE providers were consistently frustrated with the funding models across the FE sector. Funding limitations for full and part time provision are preventing providers from delivering the skills to potential students that industry needs as the funds fail to keep pace with the costs of delivery. Professionals in further education are dual qualified both as teachers and also as practitioners in their industry specialism. Static funding means that there is a widening gulf between rates of pay in further education and those that industry can offer with the consequence that providers struggle to retain and attract people in teaching. This challenge becomes more pronounced in high skills demand subjects, not least construction. Providers tell us that the sector has been starved of appropriate funding now for a decade. The outcomes providers are able to achieve in spite of the low levels of funding is a credit to their innovation and tenacity. While a 4.7per cent increase on the funding base rate⁵ coming in is a positive step, it is not close to what is required. For non-apprentices, providers highlighted a 25 per cent reduction in funding received for training delivery for students 19+, despite the cost of delivery remaining the same.

⁵ Apprenticeship frameworks are the training models used for apprenticeship delivery prior to the transition to apprenticeship standards. Frameworks will be discontinued from August 2020

Apprenticeship standards and apprenticeship funding

The ESFA deems apprenticeships standards to be “new high-quality employer-designed apprenticeships”.⁹ Apprenticeship standards are made up of two elements – the training element, delivered by a training provider, and an independent end-point-assessment, which is undertaken by a separate, end-point assessment organisation registered and approved by ESFA and IFATE.

The government has committed to all apprenticeship starts being on standards by the start of the 2020/21 academic year, at which point all apprenticeship frameworks^{*5} will be withdrawn. The government is encouraging employers to develop new apprenticeship standards to better meet training needs.

Apprenticeship funding values at programme level are determined by a slightly different process to full time taught programmes. Costing exercises conducted by the industry and provider groups developing each apprenticeship standard are submitted to the IFATE for moderation. The IFATE assigns each standard to a funding band which caps the value of funding per capita that can be claimed by the delivery provider. Any excess costs for delivery over and above the cap or ineligible costs are the responsibility of the employer to cover from



certain industry entry points are limited and employers are unable to train the recruits that they need.

One example of this is in the painting and decorating apprenticeship standard. The painting and decorating standard at Level 2 attracts a funding band of approximately £9,000 for a 36-month course that has a high cost of materials during delivery. This is not enough to make the course financially viable for the providers to run. One provider told us “employers are going mad saying they are desperate for painters and decorators, we’ve got young people we want to put through a painting and decorating apprenticeship at Level two”. And yet due to the cost of delivery, including extensive materials, and the space required for training delivery, FE providers are unable to deliver this construction standard that employers are crying out for.

Adult apprenticeship funding (non-levy)

One recurring point of frustration for FE providers and employers alike was the lack of available funding for apprentices of non-levy*⁶ paying employers, where the potential apprentice was aged 19 or older (see ‘Apprenticeship Levy’ in Chapter 2 for more on this). In 2017 FE providers were able to tender for an allocation of funds that could be used for non-levied employers (predominantly SMEs). Not all providers, however, were successful in the tender process resulting in some being unable to offer apprenticeship training to small employers. For providers that secured an allocation of non-levy funding, the available funds were divided into the ‘guarantee group’ (16 – 18 year olds) and adult apprentices. As funds for the 19+ group were exhausted, funds that sat unused in the guarantee group were unable to be reallocated to the 19+ group where there was demand. Some providers approached ESFA to request reallocation of some of their funds between these groups and were turned down. This has disadvantaged SMEs in engaging in apprenticeship employment, particularly for those employers seeking mature apprentices to add to the productivity of their workforce.

ESFA¹¹ points out that from April 2020 all SMEs will be moved on to the apprenticeship

sources outside of the levy or government funding allocations (CITB, 2018).¹⁰

While the methodology has a logical approach, industry and apprenticeship providers frequently find that the recommended funding band arrived at through the costing process frequently deviates significantly from the one finally assigned, with most funding bands revised down. The result of this is that some apprenticeship standards, which industry have worked hard to develop in line with workforce demand, are not viable once they are made available for delivery by further education providers. As a consequence,

*⁶ The apprenticeship levy is a form of tax collected by HMRC from employers with annual wage bills of more than £3million. The revenues collected are ring fenced for the employer to access via a digital account to pay for apprenticeship training from registered apprenticeship providers

service. This will mean that SMEs manage their own allocation of training funds, rather than an allocation being provided to FE providers. SMEs will be able to 'reserve' funds through a commitment to a training pathway with an apprentice. ESFA anticipates that this process should alleviate many issues with access to funds for non-levied employers.

Apprenticeship starts by level since the 2011/12 academic year

Some learners had no recorded level (80 in 2014/15 and fewer than five in 2015/16)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Level 2	329,000	292,750	286,490	298,280	291,330	260,650	161,390
Level 3	187,880	207,670	144,730	181,760	190,870	197,660	166,220
Level 4	2,850	4,180	3,810	7,090	9,510	11,920	16,800
Level 5	850	5,610	5,410	12,590	16,870	22,960	20,480
Level 6				100	740	1,650	6,370
Level 7					30	50	4,500
Total starts	520,600	510,200	440,400	499,900	509,400	494,900	375,800

48,000

the number of higher level (level 4+) apprenticeship starts in 2017/18 compared to under 4,000 in 2011/12

SOURCE: DfE APPRENTICESHIP AND LEVY STATISTICS: AUGUST 2019

Upskilling vs entry level employment

DfE statistics (2019)¹² highlight the shift in the levels of apprenticeships delivered between 2011/12 and 2017/18. In 2017/18, there were 48,150 higher level (level 4+) apprenticeship starts, compared to just 3,700 in 2011/12, with these levels increasing by over 30 per cent year on year between 2015/16 and 2017/18.

Concurrently both intermediate (level 2) apprenticeships and advanced (level 3) decreased between 2016/17 and 2017/18 by 38.1 and 15.9 per cent respectively.

It should be acknowledged that these shifts at a national level across apprenticeship provision in all occupational areas co-incident with the introduction of the apprenticeship levy in April 2017 and reforms to the apprenticeship system as a whole rather than the construction sector, per se. Many new apprenticeship standards at level 2 and level 3 were still in development while a number of those at higher levels had been some of the first to gain approval for delivery. As a consequence, restricted availability of programmes for new starts at lower levels during this period contributed to the slowing down which, to a certain extent, has picked up again according to some providers.

The shift in the prominence of apprenticeships at different levels also begs

the question as to the true purpose of the apprenticeship programme. Is the apprenticeship programme aimed at entry-level employment opportunities and supporting individuals into the workforce? Is the programme a workforce development programme that serves all employees, regardless of their current employment status? Should the differing notions of entry-level employment and workforce development be separated out within the programme to prevent those with existing employment drawing funds away from those with entry-level requirements? Which elements of the programme are most valuable to meeting the skills and economic needs of the UK going forward? Is it the Government's role to fund skill development and acquisition within employment, or should the individual and/or employer shoulder additional responsibility for the cost of this training?

Across this research there were differing opinions on these questions. For the most part, stakeholders in the apprenticeship sector recognised the importance of prioritising entry-level training in any system, however they did not completely discount the need for up skilling and re skilling of currently employed individuals.

In order to combat these needs, the Association of Employment and Learning Providers (AELP¹³) outlined a proposal for staggered funding levels attached to apprenticeships. They are;

Levels 2-3

100 per cent funded by government
0 per cent co-investment

Levels 4-5

95 per cent funded by government
5 per cent co-investment

Levels 6-7

No government funding
100 per cent contribution by employer
(or individual by student loan)

Register of Apprentice Training Providers (RoATP)

One issue that has been problematic in the recent round of reforms and innovations in the FE sector was the introduction of the 'Register of Apprentice Training Providers' (RoATP). Providers felt that this registration process undermined grades awarded by Ofsted. Providers also felt that successful registration was more dependent on a provider's ability to complete a form, than on its history or capacity to deliver quality training. This was evidenced by a range of providers successfully registering with limited or no history in apprenticeship training, while long serving, highly experienced providers of apprenticeship training who were rated highly by Ofsted were not successful in achieving registration.

Ofsted's¹⁴ role is to "make sure that organisations providing education, training and care services in England do so to a high standard for children and students". Ofsted principles of inspection highlight "Inspection provides assurance to the public and to government that minimum standards of education, skills and childcare are being met; that - where relevant - public money is being spent well; and that arrangements for safeguarding are effective."¹⁵

RoATP purports to have a broader remit than the Ofsted inspection. While ESFA noted that there are some overlaps between the two programmes, they insist that the RoTAP process is necessary to ensure the responsible spending of public funds. Recent changes to the RoTAP register have reduced the capacity for non-delivering providers to register, however the red tape and administrative burden of registration and duplication for highly rated Ofsted providers continued.

The diagram shown opposite indicates the similarities and potential overlaps between the Ofsted quality assurance process and the RoTAP application process. It should be noted that there are specific exceptions within the RoTAP application for applicants who have received a grade from Ofsted in relevant areas of the RoTAP application.



PHOTO COURTESY OF CONSTRUCTION YOUTH TRUST

“We stand ready with excellent facilities, to do our bit in this process”
Mike Welsh *FCFE, Principal & Chief Executive*, East Riding College

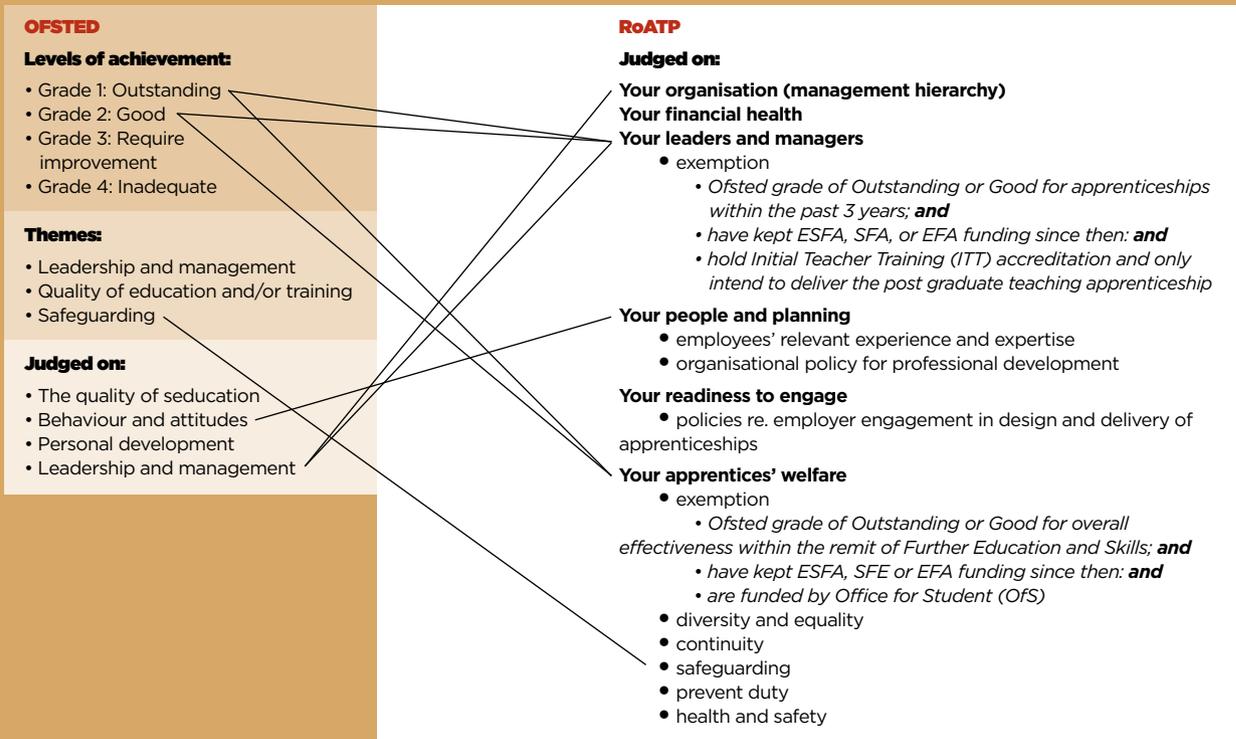
Higher level training & skills

Training and study required at level 5 (equivalent to a Higher National Diploma, Higher Education Diploma or Foundation Degree) upwards is deemed to be Higher Education (HE) and as such falls under the jurisdiction of the Office for Students (OfS) which currently regulates universities and colleges delivering programmes of study at these levels. Within construction sectors, progression into supervisory and management roles, surveying and civil engineering typically demands skills development at this level. Employees who have entered the industry via practical vocational training programmes at level 1, 2 or 3 commonly move in to these roles through part time professional and technical studies offered for adults by FE colleges with HE provision.

The ability for FE Colleges to continue enabling skills acquisition at higher levels is, however, now dependent upon their ability to afford the registration fees for OfS and the ongoing cost of maintaining their registration. The starting cost runs into tens of thousands of pounds each year which is prohibitive to many organisations when HE in FE represents a small number of students proportionally. If FE providers are unable to fund their OfS registration, they are unable to run these higher level programmes; and this limits progression opportunities. It restricts the diversity of talent that can grow within the sector as HE routes offered via FE colleges are often the most affordable, accessible and relevant for learners in the industry. ■

Ofsted¹⁶ vs. RoATP¹⁷ application/audit

There are specific exceptions within the RoATP application for applicants who have received a grade from Ofsted in relevant areas of the RoATP application



The **role** of **business** in developing the construction workforce

PHOTO COURTESY OF ST MODWEN HOMES



Business and skills providers working together

There are some outstanding examples of FE providers across the UK coming together with industry to bring down the barriers and develop innovative ways of meeting demand for quality, skilled workers in spite of the wider challenges presented by funding shortages, constant policy changes and additional bureaucracy in the skills and education system.

Local authorities can also be instrumental in providing skills strategies for their area in order to deliver infrastructure projects. This provides a basis for employers to work with education providers to scope out the skills need and deliver a curriculum which meets the needs of businesses and the local authority. This will ensure that provision is better aligned to industry need.

Case Study

St Modwen Homes and Burton and South Derbyshire College

St Modwen Homes is a multi-award winning house-builder with a budding workforce of skilled, responsible and passionate people who take great pride in what they do. St Modwen Homes is making significant investment in growing its talent for the future as well as in its supply chain.

St Modwen believes it has a responsibility to support good quality training and has partnered with Burton and South Derbyshire College through a range of initiatives to support the development of its current and future workforce. Some of these partnerships include:

- Access to site for training and work-like experiences
- Curriculum review and course content
- Modernising equipment for training in current methods
- Bursary for employing trainers
- Retraining/accelerated basic brickwork course for mature students, ideally focussed (but not necessarily limited to) ex-military personnel to retrain in basic brickwork skills
- Interviews with construction students every year, and a pledge to take on a construction student, annually
- Continuous professional development for lecturers to ensure skills currency

Case Study

Mayor of London's Mayor's Construction Academy (MCA) Hub¹⁸

London South East College's pioneering Mayor's Construction Academy (MCA) Hub is helping to solve London's construction skills issues while supporting some of the Capital's largest redevelopment projects across four London boroughs. London South East Colleges is the only lead College that has been awarded the MCA Quality Mark, Hub Status and Capital Project Funding and was featured as a case study in the CBI's response to the DfE's Higher Technical Skills Consultation.

The MCA Hub combines traditional learning centres at the College's main campuses with employer responsive 6-week construction boot camp courses at construction sites, which are co-designed and delivered by employers. This provides a clear progression route from entry-level up to degree-level and higher. The most prominent of LSEC's boot camp skills centres is the Kidbrooke Construction Centre located at the Kidbrooke Village in Greenwich.

The College combines through its innovative industry advisory boards research and labour market intelligence to deliver a curriculum that meets the needs of employers and local authorities. In addition to co-designing and delivering courses, large construction developers including Berkeley Homes, Mace and Knight Dragon provide master classes, work experience opportunities and materials. The Hub also works with the local authorities of Greenwich, Bexley, Bromley and Lewisham to provide the skills needed for the Boroughs to meet their infrastructure plans.

London South East Colleges Student Ryan who started at with the College at a 6 week construction bootcamp was able to progress to an assistant site supervisor



and later to a site manager:

"I have the Kidbrooke Centre to thank for getting me to where I am today and for the time and effort they put into every single person on these boot camps"

Former student Ryan Jones,
Site Manager, Delcon Construction

The next step for the MCA hub is to develop further skills centres in Bexley and Greenwich, hoping to provide courses to nearly 2000 learners every year by 2024/25. The College is currently looking to develop further partnerships with the CBI and its four local authorities to deliver long-term construction skills plans.



PHOTO DIL

Colleges and ITPs should seek strong partnerships with local industry and businesses to have input into curriculum design, development of modern infrastructure and to ensure the currency of practice. Annual engagement plans that are published and reported against as part of Ofsted's quality assurance activity would drive behaviours. Any engagement plan will need to include evidence of real, measurable benefits for all parties involved. Engagement with employers must not be seen as a tick-box exercise and may include performance indicators around such measures as the number of students and apprentices employed by partners; the volume of courses co-designed with employers; the

value (£) of equipment donated; the number of masterclasses or guest sessions offered by employers; and the number of employers participating in engagement opportunities.

Employers on apprenticeships

Employers are the decision makers when it comes to apprenticeship employment. Without employer buy-in, apprenticeships are simply not possible. Employers in the construction industry value apprenticeships and skills training, however ESS¹⁹ shows that only 6 per cent of construction sector employers have a training plan and just 7 per cent have a training budget. Indeed, only six per cent have a business plan. Employers require support from FE providers and government to engage in the apprenticeship and skills landscape.

The two key factors that prevented construction organisations from providing

more training in the past 12 months were:

- Lack of funds for training / training expensive (53 per cent)
- Can't spare more staff time (having them away on training) (51 per cent)²⁰

Aligning skills availability with point of need

One of current difficulties that construction employers face is in matching the timescales and volume of their employee requirement to the talent pool available from providers. This is especially difficult when work is project based and each project, through the procurement process, may set different requirements and restrictions around workforce, including quotas and targets for apprenticeship hiring from specific locales. Schemes which provide the facility for employers to share labour and provide training opportunities across organisations and projects have a successful track record in other vocational education systems, including Australia.



Apprentice training agencies and shared apprenticeship programmes

An apprentice training agency (ATA) is an organisation whose main business is employing apprentices who are made available to employers.²¹ This includes group training associations (GTAs). GTAs are training providers that deliver a unique experience to learners and employers alike: developing and delivering training for industry, by industry.²²

The ATA model stems from the Australian 'Group Training Organisation (GTO)' model, borne out of the construction industry in the late 1970s to manage the short term contract nature of the industry, weathering the peaks and troughs of supply and demand, while

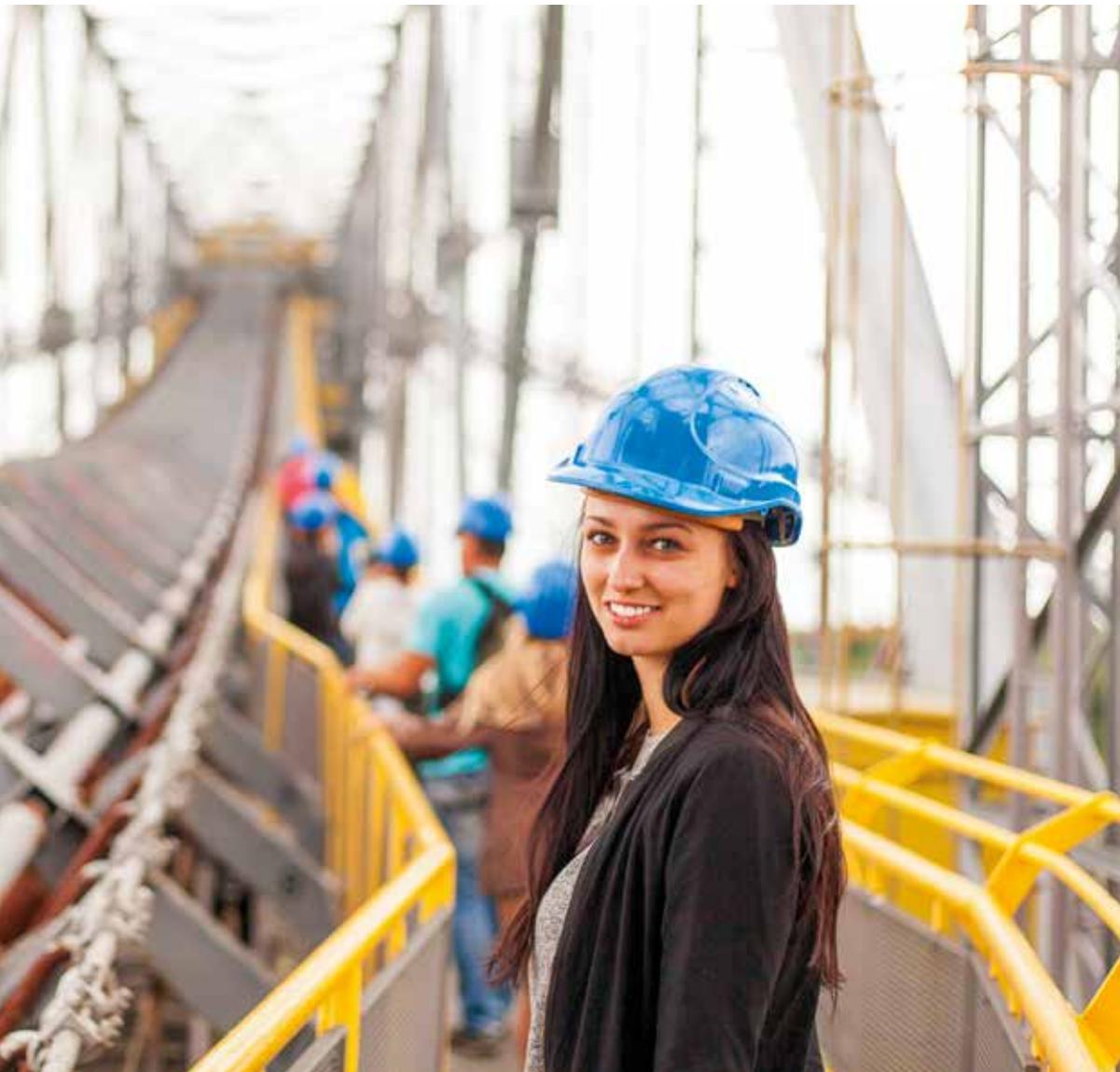


PHOTO CLAUDIO HIRSCHBERGER

ensuring the industry had a continuous flow of quality apprentices available for future skill requirements. GTOs in Australia employ an apprentice under an apprenticeship contract and place the apprentice with a host employer.

GTOs make up approximately 10 per cent of the total apprenticeship workforce in Australia, and in some jurisdictions and industries (in particular the building and construction industry) can employ over 50 per cent of apprentices. GTOs predominantly service traditional trade- based industries, and predominantly work with SMEs. There are however some sizeable partnerships between GTOs and some of Australia's biggest companies, including mining

companies, Australia Post and many of the major banking firms. Government attempts to increase labour market participation of equity groups though group training have been relatively successful.²³

There are currently 114 registered ATAs in the UK.²⁴ Registration for new ATAs was put on hold while a review was to be undertaken. ATAs can still operate during this registration freeze, but are unable to register as ATAs through ESFA.

ATAs have a mixed history of success in the UK, with tales of rogue and money-driven ATAs tarnishing the reputation of the industry. Some interviewees had positive experiences in their engagement with ATAs in the construction industry, however most

stakeholders expressed caution about engagement with ATAs.

The introduction of the apprenticeship levy stalled the operations of ATAs in the UK, as employers focussed inwards in their apprentice employment journeys in order to utilise the levy accrued in their digital account. The introduction of the sharing of the apprentice levy, in particular the increase from 10 to 25 per cent of the levy accrued that could be shared, provides a new opportunity for ATAs to be reconsidered as a model for supporting the construction industry to manage the engagement of SMEs, sub-contractors and the peaks and troughs of the industry while managing the quality of construction training.

The CITB was the custodian for a shared apprenticeship scheme, however most stakeholders were unaware of this model and the benefits. The CITB describes the

Shared Apprenticeship Scheme as follows:

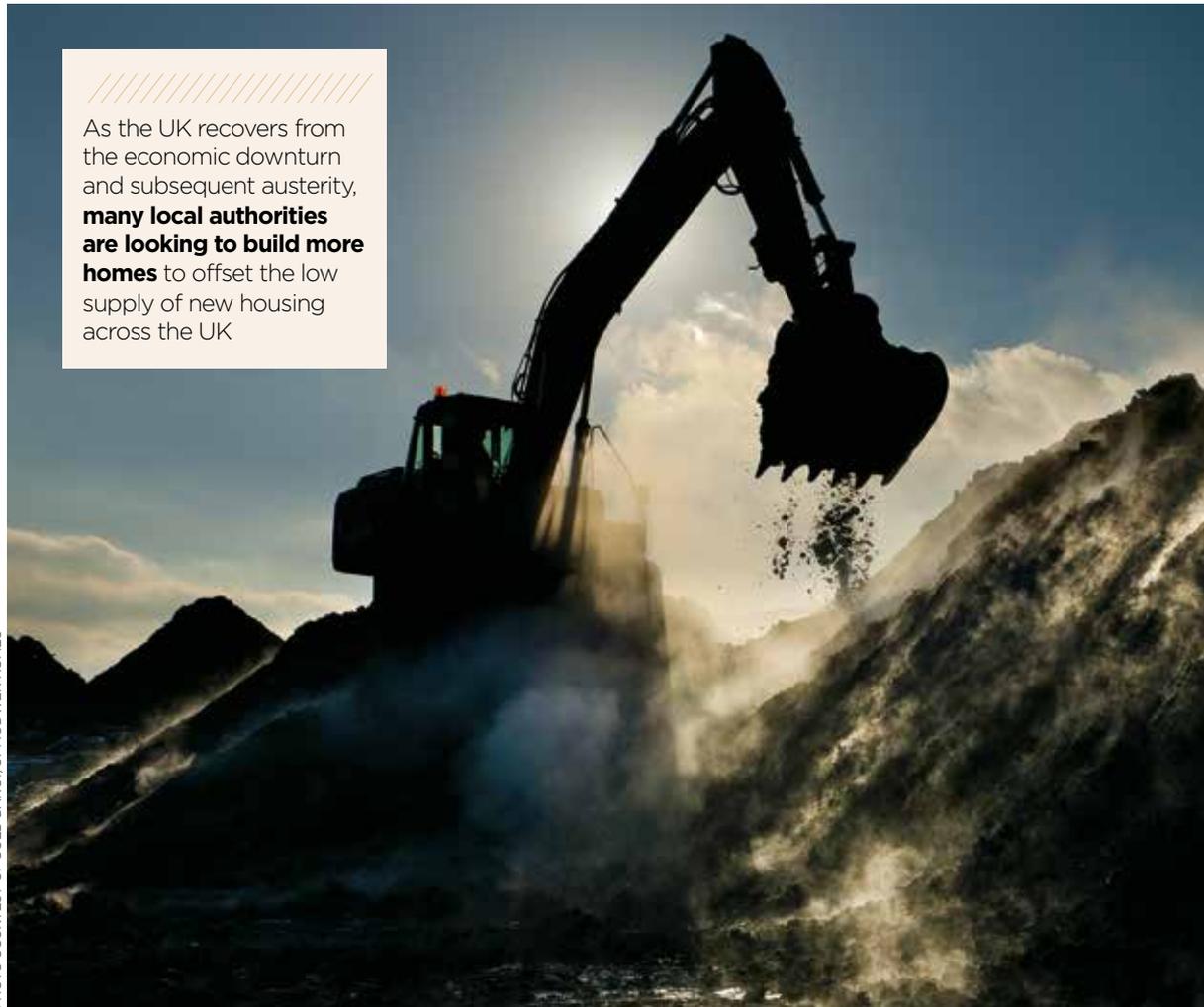
“Getting involved in the Shared Apprenticeship Scheme allows employers to dip in and out of apprentice training. The scheme allows you to take on an apprentice, for as short a duration as three months, with no commitment to the apprentice at the end.

Once the apprentice has finished working with an employer they are found another placement, and upon framework completion, they will be assisted in sourcing permanent employment within their chosen trade.”²⁵

Ten shared apprenticeships schemes are being developed across Great Britain, with predictions of an extra 500 apprentices entering the construction workforce each year.

As the UK recovers from the economic downturn and subsequent austerity, **many local authorities are looking to build more homes** to offset the low supply of new housing across the UK

PHOTO COURTESY OF COED DARCY/ST MODWEN HOMES



Government as the major client of industry

Government is recognised as a major client of the construction industry. In the West Midlands Combined Authority (WMCA), the local industrial strategy highlights the role government can play in driving procurement excellence and socially responsible practices through contracting arrangements. WMCA see opportunity for social and environmental value and innovative behaviour-influencing, particularly in construction and digital infrastructure procurement projects. In addition, WMCA sees the imperative to continue to invest in and accelerate construction in high quality housing, high grade equipment spaces and improved connectivity for the productivity benefit of the region, and to maximise government

500

//////////

extra apprentices predicted to enter the construction workforce each year

investment in local projects such as Birmingham Airport and High Speed 2.

As the UK recovers from the economic downturn and subsequent austerity, many local authorities are looking to build more homes to offset the low supply of new housing across the UK. This will further increase

demand for jobs across the UK, particularly in large cities undergoing major housing redevelopments.

Section 106 requirements were raised during this consultation. A Section 106 is a legal agreement between an applicant seeking planning permission and the local planning authority.²⁶ The agreements set out requirements with the intention of mitigating the impact of the new build on the local community and infrastructure. Section 106 agreements will often include stipulations on local employment and apprenticeship commitment. As the agreement sits with the local authority, these stipulations for 'local employment' can have limiting effects when projects are short in scope, or when apprenticeship employment exceeds the duration of the project. Due to the mobile nature of the construction industry, limiting employment to a narrow locality, while noble in its cause, may lessen the ability of the employer to engage apprentices on projects with these stipulations.

While Section 106 and locality issues were raised by some stakeholders during this research, ESFA asserts that these issues are far less common than they were a few years ago, as employers have learned to adjust their employment practices, and local authorities have recognised the barriers that tight stipulations have on employment.



Effectiveness of levies

CITB (2018)²⁷ highlights the key differences between the Government Apprenticeship Levy and the CITB Levy:

“The Government Apprenticeship Levy is only designed to cover apprenticeship training fees”.

The CITB Levy is used to support construction employers to make sure industry has the skilled workforce it needs. This includes the apprenticeship grants that support employers with the additional costs of employing an apprentice in construction.

CITB Levy will cover these additional apprenticeship costs, as well as supporting a wide range of other benefits to construction employers, such as:

- Grants to support and encourage training
- Promoting construction as career of choice and encouraging young people to enter the industry
- Research to identify future skills needs
- Developing standards and qualifications to qualify our industry and keep employees safe”

Apprenticeship levy

The apprenticeship levy was introduced in 2017 to enforce investment by large employers in apprenticeships. The levy sees responsibility for funding the UK’s apprenticeship programme fall primarily on employers. Businesses with an annual wage bill over £3 million pay the equivalent of 0.5 per cent of their bill per year in order to fund the apprenticeship system. They access the funds they’ve contributed via the levy through a digital account and can spend them on apprenticeship training with registered providers. There is a 24 month sunset clause, after which unspent funds are returned to the Exchequer. Non-levy paying organisations currently work with provider allocations of funds, drawn from the unspent levy allocations from levy-paying employers.²⁸

Funding for SMEs and non-levy paying employers

In the development of the apprenticeship standards for construction, the Federation of Master Builders (FMB)²⁹ was concerned that the voices of large employers would dominate the conversation. FMB convened a trailblazer group made up of members, determined to ensure the voice of SMEs were heard. This group has been successful in being granted permission to develop a number of construction focussed apprenticeship standards.

Providers highlighted that prior to the introduction of the apprenticeship levy, the distribution of apprenticeships was approximately two-thirds to SMEs and one-third to large employers. This balance has now flipped, with the apprenticeship levy increasing engagement of large employers, and lack of funding for non-levied (SME) employers leading to a decline. An additional influence is the administrative effort that

Case Study

West-Midlands Combined Authority (WMCA) Levy sharing project

WMCA is working to convene employers so they can use their joint purchasing to turbocharge the number of apprenticeships available in the West Midlands. WMCA aims to unlock £40m of extra purchasing of apprenticeships over five years. WMCA will work with public and private sector levy payers, including those whose headquarters are outside of the region but with a significant regional presence.

WMCA acts a conduit and support mechanism to the levy transfer process, working with 52 training providers across the region on behalf of the levy paying organisations.

WMCA have an ambitious target of £40m levy transfer pledge from levy organisations



over the next five years. To date this includes 13 large levy payers. The WMCA has been able to achieve buy-in to the project through the demonstration of their industrial and skills strategy for the region, showcasing the opportunities for large employers to support the development of the region.

This project has so far supported 50 SMEs, over 150 learners and have a planned spend of over £2m of levy in place to participate in apprenticeship pathways, where there otherwise may not have been funding available.

WMCA is simplifying the message around the levy transfer opportunities, respecting the requirements of Ofsted and RoTAP to ensure quality in training provision and a focus on employer engagement and strategic vision for the region.

goes into employer engagement – with a greater return on investment for large employers who enrol greater numbers of apprentices compared to similar efforts by smaller businesses, with perhaps one or two learners.

The Government will fund all of the apprenticeship training costs, up to the maximum allocated to the relevant apprenticeship standard, for employers of fewer than 50 people under specific circumstances. Outside of this, non-levied employers are required to co-invest in the cost of training their apprentices. Co-investment was reduced from 10 to 5 per cent of the cost of training as

of April 2019. The government will pay the remaining 95 per cent, up to the value of the funding band attached to the apprenticeship standard.³⁰ This same funding allocation applies to levied employers who have insufficient funds to cover their training outlay requirements.

As highlighted earlier in Chapter 1 of this report, the Government is making changes to those allocations of apprenticeship funding to non-levy paying employers. This will give SMEs greater visibility, ownership and access to apprenticeship funds and reduce some of the existing frustration with the system.

The Association of Employment and Learning Providers (AELP) has called on the government to create a stand-alone non-levy apprenticeship budget of a minimum of £1bn to ensure the 98 per cent of employers not paying the apprenticeship levy have access to high quality apprenticeship to help them drive productivity.³¹

Levy transfer

Participants in this research repeatedly highlighted the opportunities that exist through the levy transfer option. Potential was discussed for supporting supply chains, industries, communities, and addressing funding shortages and in engaging with ATAs.

Since April 2019, levy-paying employers have had the capacity to share 25 per cent of their accrued levy with other organisations. ESFA is heavily promoting this option to assist with the current shortfall in available funding allocation for non-levy apprentices. Provided the levy-paying organisation does not exceed this 25 per cent cap, the organisation is able to transfer levy funds to any number of employers.³²

The restriction that prevents this from serving a more valuable purpose was stated to be the significant bureaucracy attached to participating in the process, in particular for SMEs. In addition, the levy-paying employers were concerned about the risk instilled in the agreements for the levy transfer and, as such, were hesitant to participate. Employers who engaged in the research, both levy paying and non-levy paying, were unaware of the levy transfer options when they were raised in interviews.

The Government needs to consider how the levy transfer can be better facilitated, removing risk (both perceived and actual) from levy-paying employers transferring funds, and removing bureaucracy for receiving non-levy payers.

One positive case that was often raised in discussions was the West-Midlands Combined Authority in regard to their pilot project for levy-sharing across the combined authority.

CITB levy

The CITB provides up to £10,250 for each apprentice a construction employer takes on, to help with the costs of engaging an apprentice.³³ This is a construction industry-specific levy, different to the apprenticeship levy managed by the Government.



The CITB levy has specific standards and apprenticeships that it will support. At present, it does not support engineering-based apprenticeships, even when they fall within the modern methods of construction. The CITB explored modern methods of construction in March 2019, committing to continuing to work with employers and industry recognised bodies to formulate skills needs forecast and productivity gains through modern methods of construction. This aligns with CITB's focus on modernising its business operations



PHOTO DAVID CARBALLAR

to support the industry, attract and retain talented individuals and assist the UK to meet its housing and construction needs and commitments.

The CITB levy is currently under review and due to be voted on in 2020. While employers in general were happy with the construct of the CITB, and industry bodies supported the CITB, FE providers were not complementary, for the most part. FE providers repeatedly stated that the CITB was “in it for themselves” and did not add value to learners or training pathways. ■

Attracting talent



PHOTO COURTESY OF BRIDGWATER AND TAUNTON COLLEGE



Sector reputation and barriers to promotion

FE and technical education has historically suffered, and indeed continues to suffer, from being undervalued in comparison with Higher Education. In 2016, the Independent Panel on Technical Education said that “evidence shows that parent/carers, teachers and the general public have long regarded technical qualifications as inferior to academic qualifications and tend to believe they are most suited to less able learners.”³⁵ HM Government recognised this in their Industrial Strategy white paper³⁶ published the following year. While the quest for parity of esteem continues across the FE sector, academic snobbery persists and is particularly prevalent in terms of the construction sector.

Students that are not seen as academic in school are often pointed towards the construction industry. This issue is not new to the sector. Latham (1994)³⁷, reported that across the EU “construction work is often seen as an unattractive option. It is perceived as dirty, dangerous, exposed to bad weather, unhealthy, insecure, underpaid, of low status and with poor career prospects for educated people”.

“The construction sector, like many of the high employment sectors such as hospitality, care and logistics, **is often seen as being a Cinderella industry** – parents aren’t impressed, it is not seen as a desirable industry but as a non-aspirational sector from the outside world. It needs to change”

Mark Currie, Executive Director,
Mantra Learning



PHOTO COURTESY OF ST. MODWEN HOMES

East Midlands Airport reported that in times of recruitment need, for instance in the building of a new runway, the skills shortage is evident in the inability to recruit to meet skills demand, in part due to the stigma of

Certain careers in the construction industry are viewed as out-dated and dirty. The sector is seen to have a lack of distinctive career progression pathways, especially in SMEs. The image of the sector suffers from a legacy of stereotyping and bad publicity (for example 'rogue traders'), prompting parents, teachers and other career professionals to point school leavers and job seekers towards alternative careers. ESS (2018)³⁸ highlights that 67 per cent of the construction industry's hard-to-fill vacancies are the result of a lack of applicants with suitable skills, qualifications and experience. Other reasons cited for the lack of applicants include role specific issues such as the desirability of terms and conditions or unsociable hours; or organisational concerns, in particular, accessibility of location and suitability of transport links.

construction being a second-rate career.

Negative perceptions seem to be attached to the SME market in particular. In regional areas, the dominance of large employers with construction elements attract a high number of candidates and are supported as strong career choices by parents and schools. Examples of this include BAE Systems as a large employer of civil construction and engineering students and apprentices in the Lake District, and Bylor nuclear power plant in the Bridgwater region. Colleges associated with both projects raised the difficulties in attracting students into the house-building and domestic construction industries when large projects and employers draw the strongest candidates. Smaller, family owned house-building companies that have strong reputations locally, seem to be viewed positively in contrast to construction SMEs

in general. Large companies are often referred to when people talk of construction employers,

“People just don't want to go into construction”

Geoff Moss, Assets & Engineering Director,
East Midlands Airport

yet most of the labour is subcontracted out through SMEs in the supply chain. Negative perceptions of SMEs are a significant challenge for the industry when the concentration of roles and workforce requirement sits within this part of the sector.

FE providers make considerable efforts to counteract misperceptions and misinformation via school and parental engagement, communications activity and showcases focused on the variety of interesting careers and successful models that the industry boasts. However, the sector itself considers that some FE providers are often not familiar with the breadth of opportunity in the sector and thus restrict their promotion to trade roles only.

As the core technical and design elements of the construction sector evolve, the natural fit with the skillsets of young people becomes more evident. Young people are set to be the custodians of future innovations, especially in the design and technical sector. This alignment of skills availability and industry requirement presents a significant opportunity to harness the value young people can bring into the sector. The Institute for Public Policy Research (IPPR) (2019)³⁹ found that parents are central to influencing the decisions of their children when it comes to future career and education pathways. A total of 58 per cent of the parents surveyed in the IPPR report on the Baker Clause (one year post implementation) said they had been asked for assistance from their children in making future career decisions.

In order to change the perceptions of the sector and remove the current image problem, critical influencers, including teachers and parents, who inform and influence the decision-making process must become fully conversant with the opportunities and progression that the house building and construction sector now offers. Capacity needs to be created between employers, educators and government, both in terms of time and direct finance, to ensure that careers advice and guidance is representative and that its currency is maintained.

Diversity of talent

A lack of diversity immediately limits the industry's talent pool and employable workforce. There seem to be a variety of barriers to maximising diversity in the sector and to ensuring that career opportunities are accessible, relevant and appealing to as many people as possible. Barriers range from the visibility of relatable role models, the prevalence of outdated attitudes, the flexibility and inclusiveness of working practices, to limitations of skills funding for particular groups; unintentionally caused, in part, by the design and distribution of the funding system in further education as well as, fundamentally, the insufficiency of available funds to train the volumes required.

The CITB⁴⁰ evidenced a number of under-represented groups in the construction industry: young people not in education, training or work; long-term (12+ months) unemployed; service leavers; women; and full-time learners. In January 2019, CITB⁴¹ launched its biggest ever funding opportunity, *Pathways into Construction*, a £5million commission to bring together these employers and under-represented groups they had previously identified.

Adult apprenticeship provision

The current distribution of funds to train apprentices for non-levying paying employers has been limited by the original procurement exercise that took place in 2017, with allocations made to successful tendering organisations on a matrix of regional age groups. This means that a proportion of training providers, although approved on the Register of Apprenticeship Training Providers, do not have access to any funds.

Case Study

Construction Youth Trust success in encouraging young women into the construction workforce: Samina⁴²

Construction Youth Trust met Samina whilst she was in Year 12 at Swanlea School. From her bedroom window the 17-year old looked out across a construction site and was fascinated. However, only believing that she could be a labourer or an architect, she had no idea where she could fit into the sector.

When the Trust came to her school with the offer of an immersive three-day exploration of construction careers, Samina immediately signed up to their Budding Brunels programme. Samina excelled as a Budding Brunel and discovered a love for civil engineering. She couldn't believe the range of construction careers open to her, which were far more wide-reaching than just labouring or architecture. On the last day of the programme she was interviewed by TFL as part of a mock interview session. TFL were so impressed by Samina they offered her a two-week work experience which led onto a longer seven-week placement. It was on this placement that Samina came across a female Project Manager who changed her perspective on her own career options. Seeing a petit, Indian women running a male team, in charge of the whole project, made Samina realise that she both wanted to, and could, be that person too. "I'm



a living example of how the Budding Brunels programme works... it has got me where I am today and now I'm an Assistant Site Manager." Samina went onto complete a Civil Engineering Degree at London South Bank University before beginning her graduate scheme with Galliard Homes. On the graduate scheme, students are rotated in roles across the company and as soon as Samina entered her Site Management placement on a site in Islington she knew she had hit upon the career for her. Samina loves the immediacy of being on site, planning, sequencing and problem solving. Samina is now an Assistant Site Manager and can be in charge of up to nine duplexes onsite. Samina is one of hundreds of young people the Trust has supported into their next step to achieving their full career potential.



PHOTO COURTESY OF CONSTRUCTION YOUTH TRUST

Some have funds for only a particular age group; or have exhausted all funds allocated for training apprentices employed by employers that do not pay the apprenticeship levy. These employers are predominantly SMEs, which represent the largest part of the construction sector, owing to the multi-tiered nature of the industry supply chain. Adult apprenticeships seem to be limited most by these funding arrangements, which in turn, has consequences for workforce diversity.

There is scope to improve the funding arrangements for older apprentices. For instance, a staggered reduction in funding for different age groups has been suggested as well as a specifically defined contribution for apprentices aged 24 and over. Further discussion on the difficulties in funding adult apprenticeships for non-levy paying employers, is covered in the 'apprenticeship levy' section of this report in Chapter 2.

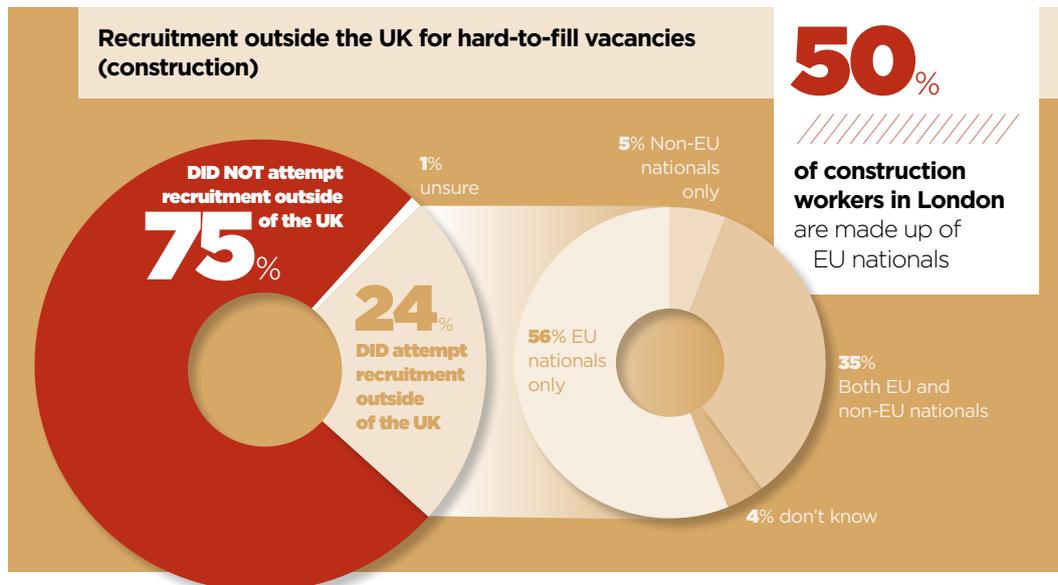
Women in trades

The Latham Report (1994) highlighted the underrepresentation of women in the construction industry. One damning element in this report noted "a major obstacle to the industry's ability to recruit the best people is the fact that half of the population is largely ignored by the industry".

The Construction Youth Trust has had some success in promoting the construction sector as a pathway for young women. Through the delivery of its programmes, girls are hearing about careers and recognising, for instance, that proficiency in mathematics could lead to a career in the industry as a quantity surveyor or engineer.

As highlighted in the apprenticeship ambassador section, East Midlands Airport has found that using role models and case studies has proven most successful in showcasing successful women in the construction sector and inspiring other women into construction. The organisation has female civil engineers and chartered surveyors on staff who are strong role models in engaging and attracting other women.

One of the considerations for attracting more women to the industry has been the desire for females to have flexible work options. There is an obvious and beneficial synergy between the sector's exploration of more flexible working arrangements and efforts to attract more females to the industry.



Migrant workers

Brexit is the largest impending unknown in terms of its potential impact on the construction workforce. Retention of current EU-based workers within the sector will be critical to ensure the workforce is not set even further behind in the number of workers required to meet the government’s housing commitments. The Construction Industry Brexit Manifesto⁴⁴ explores the Labour Force Survey statistics, highlighting that 12.6 per cent of construction workers were born outside the UK, and 5.7 per cent were born to EU accession countries. While these figures are UK-wide, there are concentrations across the UK (such as London) where the percentages of EU nationals is significantly higher, much closer to 50 per cent.

Overseas workers fill roles across the full range of skill levels within the construction industry – from general labourers (40 per cent), to technical and vocational skilled tradespeople (like carpenters, 11 per cent), plant and machine operatives (7 per cent) and bricklayers (8 per cent) (Confederation of British Industry (CBI), 2018).⁴⁵



CBI (2019)⁴⁶ predicts that the current uncertainty around the UK immigration sector is likely to result in increased demand for UK-based talent development, in particular for technical skills. CITB⁴⁷ concurs with the statement that the Brexit uncertainty is problematic for the construction industry which has seen investment in the commercial sector delayed, and plans for recruitment or investment in skills also put on hold.

The Construction Industry Brexit Manifesto⁴⁸ puts the focus on UK industry, calling on it to ‘step up and be much more ambitious’ in its skills pipeline and training commitments, with a requirement to go above and beyond current efforts. Stakeholders repeatedly cite the sector’s need to ‘grow our own’ when describing how to tackle the forthcoming immigration changes. However, given the lead time for an apprentice to reach competency in their trade, the FMB⁴⁹ released recommendations to the Government calling on it to introduce a flexible system of immigration that allows key strategic industries like construction to draw upon adequate levels of skilled labour from the EU and beyond.

Work ready skills

In all areas of employment policy discussion, soft skills or transferable skills are an increasing focus. Employers and society are faced with generational shifts in both the expectation of basic skill sets of young people entering the workforce, and expectation from those workforce entrants about what the workforce will look like in practice.

Data from ESS shows that employers are struggling with large numbers of

applicants and new employees lacking the soft skills required for the role. The skill that requires the most improvement is the ability to manage one’s own time and

prioritise tasks. There is an increasing expectation from employers as to what they want from young people at the outset, and less patience and commitment to the idea that young

people require nurturing and support.

CITB’s *Experience Construction* programme⁵¹ is a taster programme that gives young people exposure to the

construction industry and assists in identifying whether the industry is a good match for future career prospects, and allows employers to trial potential apprentices.

East Midlands Airport looks for the ability to adapt to the world of work, for instance through reliability to turn up on time, and feels this isn’t covered

“My advice to anyone considering an apprenticeship **would be to turn up on time, show enthusiasm and work hard!**”
Ryan Stephens, bricklaying apprentice



The skill
 that requires the most improvement is the ability to manage one’s own time and prioritise own tasks



PHOTO COURTESY OF CONSTRUCTION YOUTH TRUST

adequately in the curriculum. This echoes the FMB (2015)⁵² findings that its members placed the highest value on apprenticeship candidates' attitude and motivation. The FMB members stated they need apprentices who:

- are willing to learn (and show an aptitude for doing so)
- take work seriously
- are professional
- are honest
- are reliable
- are punctual
- are presentable
- have good manners.

Raised points of entry

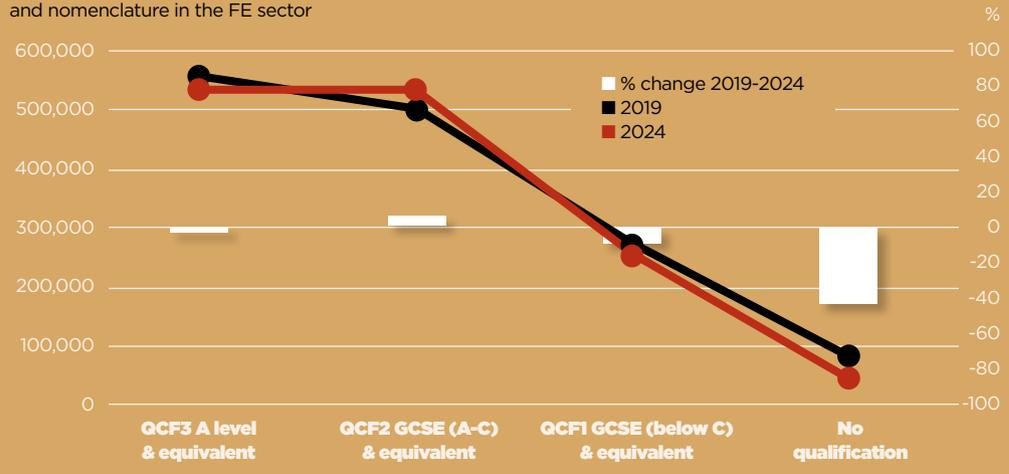
Automation has the capacity to disrupt entry level employment opportunities in the construction industry. The UK Commission for Employment and Skills⁵³ predicted a 42 per cent decrease in the number of people employed without a qualification in the construction industry between 2019 and 2024. Decreases are also set for QCF Levels 1 and 3, whereas there is set to be a 6 per cent increase in the requirement for workers with a QCF Level 2 qualification, and significant increases in the HE qualifications within the sector.

42%

decrease in the number of people employed without a qualification in the construction industry between 2019 and 2024

Skills required for the construction industry (via labour market intelligence)

QCF Levels⁵⁵: most qualifications have a difficulty level. The higher the level, the more difficult the qualification is. Appendix 3 shows the QCF levels and how they relate to common qualifications and nomenclature in the FE sector



SOURCE: UK COMMISSION FOR EMPLOYMENT AND SKILLS UK LABOUR MARKET PROJECTS 2014 - 2024 (6 INDUSTRIES BREAKDOWN, TABLE 7X1)⁵⁴

This shift towards higher level skills will potentially aid in elevating the image of the sector. At the same time, as points of entry move up to a level which reduces the potential available workforce, the pressure increases on schools and further education providers and the industry itself, to ensure that collectively they can attract and train a sufficient pipeline of industry entrants at the required level.

Managing expectations

Not discounting the effort required to promote the industry as a viable career option, it is equally important to accurately portray the realities of the industry during recruitment, and manage the expectations of new recruits to prevent attrition. The construction industry frequently entails long hours, and often requires mobility as workers move from project to project. A strong understanding of the expectations on entering the workforce helps build the work ethic for new entrants and reduces exodus accordingly.

Promotion of the sector

There is evidence of a range of activities taking place across the education sector that are designed to inform and promote the construction industry and its career pathways. Initiatives are also attempting to counteract the legacy reputation that has continued to impede the sector's attractiveness and limit pace of growth.

Ambassador programmes

FE providers, government agencies, employers, learning provider networks and industry associations all tout the benefits and the need for a successful ambassador programme to promote apprenticeships and construction careers.



PHOTO COURTESY OF BRIDGWATER AND TAUNTON COLLEGE

Case Study

Greater Manchester Learning Provider Network (GMLPN) Apprenticeship Ambassadors Programme⁶⁰

The Greater Manchester Learning Provider Network (GMLPN)⁶¹ is one of the largest provider networks in the country, combining more than 100 employment and skills providers that operate across the Greater Manchester region. GMLPN was established in 2006 and strives to improve the employment and skills system by working alongside its members and partners.

The Apprenticeship Ambassador Programme is an apprenticeship information service for schools in Greater Manchester which utilised apprentices' who have volunteered to share their first-hand knowledge and experience of apprenticeships as a route into a successful career.⁶²

The premise of the programme was that the best people to promote apprenticeships to young people in Greater Manchester schools are young people undertaking an apprenticeship. The project was uniquely positioned to provide an insight into apprenticeships and traineeships by mobilising real apprentices to share their personal experiences with students who are typically only a few years younger than the ambassadors. Other CEIAG projects provide high quality information, advice and guidance but only the Apprenticeship Ambassador programme promotes the pathway using those who have chosen that route.

Over the past four years the GMLPN has:

- Recruited and trained 346 Apprenticeship Ambassadors
- Placed ambassadors into events at 127 schools and colleges across Greater Manchester

Apprenticeship Ambassadors have:

- Shared their positive apprenticeship experience with over 19,000 young people
- Developed their presentation and communications skills, as well as their confidence, which has been of benefit in their workplace

Apprenticeship Ambassadors engage with young people through two main methods:

- Ambassadors deliver a presentation to classroom-sized groups of young people. The Ambassadors share their own personal experience on how they applied for and secured their apprenticeship, what their role is in the workplace, how their training provider supports them and what their future plans are.
- Ambassadors support a stand at careers fairs to engage with young people, teaching staff and parents in an informal manner. As with the presentations, they draw upon their own personal experience to promote the benefits of apprenticeships.

The programme adds value to other Apprenticeship IAG projects, for example, the Apprenticeship IAG Service which utilised expert advisors to provide an overview of apprenticeships to students. It coordinated ambassadors to accompany the experts who were able to share their personal story.

The GMLPN has been delivering the ESFA funded Apprenticeship Support and Knowledge (ASK) Project in Greater Manchester since October 2017. The project engages with students, teachers and parents by providing an overview of apprenticeships as well as supporting students to register, search and apply using the Find an Apprenticeship website.

There is continued demand from schools for ambassadors to engage with their students. In order to meet that demand from schools, new ambassadors are trained to replace older ambassadors who are no longer able to support the programme.

The programme would be sustainable if 60 new ambassadors were trained and deployed every year as per 2016-17, at a cost £37,500 per year including working with stakeholders.

FMB (2015)⁵⁶ recommended the establishment of an ambassador style scheme, in partnership with the CITB, for the promotion of construction careers to schools by current or recent apprentices.

However, a range of apprenticeship and construction ambassador programmes are currently in operation across the country, with varying degrees of success, and varying levels of awareness. A snapshot of some of these includes:

Apprenticeship Skills and Knowledge (ASK) programme for schools and colleges



Funded by ESFA, delivered in partnership with the Careers and Enterprise Company. National programme with two arms – employer ambassadors and young apprentice ambassadors

Employer and youth arm, not sector or region specific

Build UK



Promotion of construction careers. Currently under review, to be amalgamated into a STEM ambassador programme

Construction specific

Greater Manchester Learning Provider Network (GMLPN)



Regional specific programme, previously funded activity. Self-declared as extremely successful

Region specific



PHOTO COURTESY OF EAST RIDING COLLEGE

Build UK⁵⁷ is currently reconfiguring its ambassador programme to have a stronger digital tracking of success and engagement rates, while also aligning construction promotion with the 'built environment' and STEM ambassadors. Greater Manchester Learning Provider Network (GMLPN)⁵⁸ is taking a different approach, promoting the low barriers to entry level employment and high vacancy rates in the construction industry by aligning it to other high employment sectors such as retail, care work, and logistics. These industries do not have the traditional and visible ceilings linked to qualifications which can sometimes prevent progression into or within a sector and have a role to play in supporting the transition to employment.

While there are more structured communication channels between Government agencies and Government

instigated groups such as Local Enterprise Partnerships, there appears to be a lack of dialogue between the various programmes and initiatives, all endeavouring to promote apprenticeships, including in the construction industry. Varying levels of success and different directions were cited by the lead organisations in the delivery of the ambassador programmes.

Funding for ambassador programmes is also disparate across the sector. ESFA funds its own ambassador programme through ASK, in partnership with the Careers and Enterprise Company. GMLPN previously received a small amount of funding from its local authority, however that funding is no longer available.

The ambassador programmes could strengthen their communication through a community of practice model and a single, consistent point of funding, most obviously facilitated via the ESFA or Institute for Apprenticeships and Technical Education. A community of practice entails groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise by interacting on an ongoing basis⁵⁹.

Careers education, advice and guidance in schools

Stakeholders, in particular SMEs, repeatedly expressed concerns that schools do not accurately communicate the most up-to-date knowledge and insights about the industry and children and parents are subject to outdated, but prevailing, views of the sector; notions that construction is a 'sink' employment route for those who have academically under-achieved. FE providers, construction industry associations and the CITB undertake significant activities to address misperceptions, dispel myths and build the currency of information disseminated through pre-sixteen advice and guidance, showcasing the breadth of careers and the success that is possible.

The quality of careers advice was repeatedly questioned by stakeholders throughout this research. In particular, concern was voiced about the private schooling sector. In some regions schools are provided with up-to-date labour market information and institutional performance data to assist in the quality of careers advice, but this practice is not consistent nationally.

ESS (2018) reports that relatively few construction employers conducted work inspiration activities with educational establishments, and attributes this as a potential contributor to difficulties recruiting suitably skilled individuals into the industry. Build UK continues to drive the construction sector to engage with schools and job seekers. For instance, in 2019 the 'open doors' programme had 6000 bookings. This programme sees employers, colleges, factories and other participants in the sector open their doors to visitors to demonstrate the career diversity in the sector and hopefully combat some of the negative stereotypes.

Gatsby Benchmarks and the Baker Clause

Schools have not been incentivised or driven behaviourally to promote a diversity of career paths for young people. Success has more generally been assessed by government and the community according to the number of university entrants produced.

The introduction of measures to address this through best practice followed the 2016 Panel on Reform of Technical Education, led by Lord Sainsbury, in the form of the Gatsby Benchmarks and the Baker Clause.

The Gatsby Benchmarks are described by the Careers and Enterprise Company as: "a framework of 8 guidelines that define the best careers provision in schools and colleges".

A full list of the 8 Gatsby Benchmarks can be found in Appendix 2.

The Baker Clause takes the name of the Conservative peer, Lord Baker, who advocated for improvements to advice and guidance in schools, specifically a parity of emphasis on technical career and further education routes alongside traditional



academic progression pathways. This regulation, which has been in place since January 2018, is outlined by IPPR as: “secondary schools across England have been required by law to allow other education and training providers access to their pupils to inform them of technical and vocational qualifications.”⁶³

There is broad support for the ambitions of the Gatsby Benchmarks and the Baker Clause. In practice, however, FE providers are still struggling to obtain access to students through schools. The Baker Clause is yet to be universally introduced. Some schools have even gone as far as to provide access to providers, but only to limited numbers of students who fit their traditionally perceived vocational cohort; that is those identified as non-academically gifted. It is felt that until schools funding or Ofsted grades are linked to the measures, they are unlikely to be successful.

Promotion to primary schools

FE providers and employers are reporting an increasing impetus to engage with students at a younger age, planting the seeds of engagement and excitement around construction and engineering careers.

In the Lake District, ESH Group of Companies⁶⁴ is introducing STEM careers into early years and Key Stage 1*⁷ students, promoting construction careers through interactive workshops and construction-themed resources. During the 2018/19 academic year, ESH’s ‘Get in to STEM’ programme will engage it’s 10,000th learner. This figure is impressive, however adds up to only 0.5 students in every UK school being engaged in this programme. According to the British Educational Suppliers Association (BESA)⁶⁵ there are currently 32,113 schools in the UK, of which 20,925 are primary schools. This is a significant number of schools for the industry to reach out to, requiring planning and coordination to make an impact. It cannot be the role

of a handful of companies to pursue.

Build UK is working to bring together the employers participating in school engagement (at all levels) to ensure consistency in the construction message.



PHOTO NICOLE HONEYWILL

*7 Key Stage 1 is the legal term for the two years of education in maintained schools in England and Wales normally known as Year 1 and Year 2, when pupils are aged between 5 and 7



PHOTOS COURTESY OF BURTON AND SOUTH DERBYSHIRE COLLEGE



Case Study

Burton and South Derbyshire College LEGO Education Innovation Studio⁶⁶

Burton and South Derbyshire College (BSDC), supported by BE Together, is bringing an innovative and creative approach to teaching science, technology, engineering, art and maths (STEAM) subjects with the launch of a new LEGO Education Innovation Studio. The studio is particularly keen to help under represented groups that may not see those sectors as a viable career option. In it's first year the studio has engaged over 500 children. Feedback has been exemplary with children claiming they would consider careers in the STEAM sectors, they understand what these sectors do and the opportunities that are on offer.

The studio will give students the opportunity to take part in innovative learning techniques, combining LEGO with STEAM related group activities and

challenges. It will also give local school pupils the chance to take part in activity days where they can discover more about STEAM subjects and careers. BSDC want to engage children early so that they can consider these sectors for their future by presenting them with a fun and engaging way of learning about areas such as programming, robotics and maths.

LEGO Education Innovation Studios are based on a hands-on learning approach that actively involves students in their own learning process. The LEGO Studio will become a hub for the local community, encouraging and inspiring tomorrow's scientists and engineers. The studios are also a direct engagement tool for children's teachers and careers advisors so that it demonstrates these careers and dispels some of the associated myths such as working in these sectors is dirty or just for males.

Speaking about the launch of the LEGO



Education Innovation Studio, Dawn Ward CBE, Chief Executive and Principal of BSDC said: “The LEGO Studio allows us to lift STEAM subjects from the pages of a textbook and transform them into interactive activities and challenges. It’s a great way to promote these exciting subjects and engage underrepresented groups into these areas. The Studio will also provide opportunities for community engagement, team building, family fun and adult learners.”

The Studio provides an area where you can go and build Lego robots and program them and learn about programming. It is aimed at local primary schools to get them interested in STEAM at a young age. Strategies like this help to overcome some of the challenges of the industry but teachers agree it’s a lost cause when you start the conversations with young people at sixteen. It needs to start much younger.⁶⁷

High employment industries

Various stakeholders have referred in different ways to the broad concept of ‘high employment industries’. These industries include care, retail, hospitality and also construction. These industries have relatively low barriers to entry, the need for academic excellence is not required at the start of the journey, and the ceilings to wage growth that exist through reliance on traditional academic pathways are removed. Construction demonstrates the strongest wage returns as an industry that rewards hard work and reliability with rapid progression. GMLPN is actively promoting the construction sector as a ‘high employment industry’, reframing the language used and promoting the positive attractions of a career in the construction sector.

Many stakeholders are also exploring the publication of the average salaries within the construction industry as part of this re-positioning of the industry in the minds of parents, teachers and potential recruits. The construction industry’s *Go Construct* website⁶⁸ has salaries attached to job descriptions. The House Builders Federation (HBF)⁶⁹ is also exploring average salaries and earning potential from key construction careers, with results demonstrating even higher ranges than those published on the CITB website. It includes annual salary levels of graduates vs. apprenticeships in some sectors, including construction, engineering and technology, and shows that apprentices are progressing faster and starting younger⁷⁰. ■

Retaining talent



PHOTO COURTESY OF ST. MODWEN HOMES



Barriers to retaining talent

The CITB estimates that 400,000 workers left the industry during the economic downturn. They also predict that 220,000 new jobs will be created within the construction sector as the industry continues to grow and recover⁷¹. These figures are a real cause for concern as to how the industry can ensure it has the workforce required to meet future output requirements. Adding to this concern is the awareness of the construction sector's aging workforce - CITB forecasts that as many as 400,000 additional workers could retire within the next five to ten years.

400,000



workers left the industry during the economic downturn

400,000



additional workers could retire in the next five to ten years

Locality impositions on the workforce

Locality is an issue in many areas of the construction industry when it comes to availability of workers. Various regions attract differing rates of pay due to regional and metropolitan loadings. Anecdotally, employers in the West Midlands conveyed that when a large project commences in a metropolitan centre such as London, there is an exodus from the local region's construction workforce due to the high rate of pay available in London.

A secondary issue of the tiered supply chain is linked to the short project duration and the limitation this poses in terms of compliant employment of local apprentices. In the Greater London Area, subcontractors commissioned for projects of six months' duration in a borough are often contractually required to hire local apprentices. The next contract in a neighbouring borough may also require the hiring of local apprentices. This presents

numerous issues; the mismatch between project duration and minimum apprenticeship duration of at least one year is counter-productive; hiring and retention of new apprentices on a six month cycle is not financially viable nor compliant with the spirit and intent of apprenticeship funding; and these limitations, while conceived with positive aspirations for apprenticeship growth in the sector, lock out contractors from outside the metropolitan area in participating in infrastructure projects and contributing to the employment of apprentices both in their home region and the project locality.

The ESFA⁷² has recognised this created some barriers previously, however it maintains that there has been less concern around this issue in recent times.

Case Studies

CIPD Enabling flexible working: Cross-sector case studies and practice highlights - Lendlease⁷⁵

Lendlease introduced flexible working and wellbeing policies in 2012 and started to actively encourage flexible working and wellbeing initiatives to empower and retain staff and increase wellbeing. The types of flexible working available at Lendlease include:

- working from home
- flexitime/shifted hours (for example 7:30am-4:00pm)
- part-time
- compressed hours
- job-sharing
- general flexibility (for example for when there are home emergencies)

There is significant importance in retaining staff because of the skills shortage in construction. Flexible working has been a way of opening up the pool of potential employees. Recently, there has been a drive to recruit more women into the business, and flexible working arrangements have grown alongside this. Additionally, Lendlease recognises that it is just as important to retain staff and skills that are already within the company, so introducing flexible working enables employees to remain in work.

Timewise Research and Pilot - Building flexible working into the construction industry⁷⁶

Timewise have joined forces with Build UK and four employers for a 12-month change project. They will be working with BAM Nuttall, BAM Construct, Skanska and Willmott Dixon to gain insights into making flexible working viable within the construction industry, and to design and pilot new approaches.

The project starts with an initial insight phase, including a deep-dive diagnostic into each of the four partners' current working practices and perceptions. These insights will be used to develop a flexible job design change programme, which will then be piloted across a number of construction sites. The next step includes a thorough evaluation of what worked and what could be improved, and Timewise will share their findings with the wider industry.

Throughout the programme, Timewise will offer support, coaching and training to HR teams, senior leaders and line managers, so the new approaches are understood and championed at every level. These pilots will be used to design industry-wide guidance on operational challenges, large and small, from how to plan and deliver a pilot to the best way to advertise a flexible job.

Workplace benefits and wellbeing

One of the consistent reasons for the exodus from the construction industry has been the issue of workplace benefits and wellbeing of employees. The industry has a reputation for strenuous work and pay rates that are tied to physical exertion. For instance, bricklaying contractors are generally paid 'per thousand', and as such need to lay a minimum number of bricks per day to generate a living wage or better.

Some construction sectors have a more positive reputation in relation to these factors. It is reported that in civil construction, as compared to house-building, employers are more supportive, the work is more sustainable, employers have better reputations, job security is offered, welfare and wellbeing is better managed, and employment terms and conditions are more positive. The notable exceptions to the non-civil construction employers are local, smaller, family owned

house-building companies who also garner a positive response on these matters.

Flexible or modular learning, as highlighted in the Post-18 Review of Education and Funding (the Augar Report)⁷³, can be combined with flexible working to increase the productivity of the workforce and reduce skill-shortages at higher skill levels. If work is flexible, there are more opportunities to study and up skill through flexible learning.

Timewise (2019)⁷⁴ explores the availability of flexible jobs in different industries. It reports low rates of flexibility in traditionally male-dominated industries, such as construction. While the availability of flexible jobs has more than doubled in the construction industry (from 4 per cent in 2018 to 10 per cent in 2019), this trend highlights the differences between roles within the sector. While 10 per cent of roles in the construction sector are advertised as flexible, for frontline construction trade roles only two per cent of advertised jobs offer flexible working.



PHOTO COURTESY OF FURNESS COLLEGE



PHOTO COURTESY OF FURNESS COLLEGE

Environmental factors on talent retention

As with many industries, an aging demographic poses a burgeoning problem for the construction workforce. While commentary from the sector highlights that people are staying in the workforce longer, the physical nature of the work can limit the length of time individuals can undertake manual tasks. This presents genuine physical barriers to a long and healthy career in the sector.

Boom and bust - supply and demand

East Midlands Airport highlighted the 'feast or famine' nature of the construction industry with a limited workforce. Fierce competition for skills and labour with other major civil construction projects, such as HS2, in adjacent regions means that during major construction, the airport struggles to attract workers; and post project, for instance when the cargo expansion first phase is complete, there may be no further construction workforce requirements for another five years.

Furness College, in the Lakes District, has seen similar peaks and troughs affect the construction workforce in their region. Between 2001 and 2011 the census showed a 4 per cent decline in the population of the region, the greatest in the country. This decline was on the back of a period of uncertainty about the shipbuilding industry, a major engineering employer in the region, where locals moved away and have not returned. This has impacted on the number of people available to enter the construction industry, with the shipbuilders still attracting the most sought after candidates, leaving the construction industry with slim pickings. ■

Conclusion

This report sets out a series of recommendations to government, industry, industry bodies and FE providers to come together to support the future of the construction industry workforce.

Throughout the report we have highlighted many examples of best practice undertaken by government, further education providers, and employers to tackle the challenges ahead. The central theme to both these recommendations and these case studies is partnership. In every solution there is buy-in and understanding from each of the parties involved in the future of the sector. Solutions need to serve the employers, be financially viable for all parties, be feasible for operational delivery by FE providers, and support government objectives for the industry. ■



Methodology

This research project was conducted over a six-month period through a mixture of both primary and secondary research. Qualitative interviews were conducted with key stakeholders so that the scale of the current problem could be quantified and solutions sought as to how this could be overcome. Interviews were held with key decision makers across a range of industry members and influencers.

Secondary quantitative and qualitative data and interviews with the commissioning parties formed a baseline profile of the industry's current state, with the central body of research focused on where we need to be and how we can collectively meet the objectives.

Questions we asked:

Training in industry

- 1 How are skills, vocational and technical education (for the sector) funded and is this appropriate both now and in the future?
- 2 What are the major challenges within Further Education that are impeding the pace of meeting future skills challenges?

The role of business in the workforce

- 3 How effective are industry focused levies in meeting future skills gaps for the industry?
- 4 Does the current skills provision meet industry needs?
- 5 How do business and skills providers work together to plan for their future talent requirements?

Attracting talent

- 6 How well is the sector promoted as a viable and fulfilling career option?
- 7 What are the perceived/actual barriers to promoting the sector in this way?
- 8 How can we ensure that the sector has a strong pipeline of future talent emanating from diverse backgrounds across the country?

Retaining talent

- 9 What are the key barriers to retaining talent in construction and house-building roles?
- 10 What are the environmental factors impacting on talent retention?

Glossary

AELP	Association of Employment and Learning Providers
ATA	Apprentice Training Agency
AOC	Association of Colleges
ASK	Apprenticeship Support and Knowledge for Schools and Colleges programme (division of ESFA)
CBI	Confederation of British Industry
CITB	Construction Industry Training Board
DfE	Department for Education
ESFA	Education and Skills Funding Agency
ESS	Employer Skills Survey
EU	European Union
FE	Further education
FMB	Federation of Master Builders
GMLPN	Greater Manchester Learning Provider Network
GTA	Group Training Associations
GTO	Group Training Organisation
HBF	House Builders Federation
HE	Higher Education
IfATE	Institute for Apprenticeships and Technical Education
IPPR	Institute for Public Policy and Research
ITP	Independent Training Provider
LEP	Local Enterprise Partnership
OfS	Office for Students
SME	Small and medium enterprise
STE(A)M	Science, technology, engineering, (arts) and mathematics
WMCA	West Midlands Combined Authority

Appendix 1

Visits, interviews and witnesses:

Industry Associations and Bodies

Chartered Institution for Further Education
Dan Wright, Chief Executive

Construction Industry Training Board (CITB)
Steve Radley, Director of Policy

Association of Employment and Learning Providers (AELP)
Simon Ashworth, Chief Policy Officer
Giorgio Buttironi, Policy Officer

Association of Colleges (AoC)
Teresa Frith, Senior Skills Policy Manager

Build UK
Alice Cook, Recruitment Workstreams

House Builders Federation (HBF)
Jenny Herdman, Director of Home Building Skills Partnership

Colleges and Training Providers

Burton and South Derbyshire College
Dawn Ward, Principal and Chief Executive
John Beaty, Deputy Principal, Corporate Relationships
Ryan Halford, Vice Principal, Curriculum

Bridgwater and Taunton College
Martin Reeves, Head of Construction and Civil Engineering
Hannah Ranby, Business Operations Manager, Construction Innovation Centre

Skills Group
Sharon Chaffe, Managing Director
Christian Snaith, Construction Programme Manager

East Riding College
Mike Welsh, Principal and Chief Executive

Bedford College
David Wilkins, Director, Construction and Building Services

Mantra Learning
Mark Currie, Executive Director

Hawk Training
Crawford Knott, Managing Director

London and South East Colleges (LSEC)
Sam Parrett, CEO / Principal (CIFE Fellow)
Louise Wolsey, Executive Director, Strategy, Communications and Organisational Development
Andrew Cox, Group Head of Strategic Developments, Projects and Partnerships

Dudley College
Neil Thomas, College Principal
Shaun Hunt, Executive Director

Furness College
Andrew Wren, Principal and Chief Executive
Mark Nicholson, Deputy Principal, Curriculum and Quality
Steve McAloone, Director of Curriculum, Technical and Employer Learning

Blackpool and the Fylde College
Simon Hughes, Vice Principal, Quality and Curriculum

Construction Sector (large employers)

St Modwen Homes
Dave Smith, Managing Director
Chris Prosser, Managing Quantity Surveyor

Bylor
Becky Hannam, Apprentice Manager

Laing O'Rourke
Alison Lamplough, Apprentice Manager

East Midlands Airport
Geoff Moss, Assets and Engineering Director

Construction Sector (house-building supply chain)

M Lambe (groundworks)
Dave Mee, H&S Manager

Chasetown (groundworks)
Karl Griffin, HSE Director

MV Kelly (groundworks)
Matt Regan, Managing Director
Daniel Clarke, Senior Quantity Surveyor

RRL Access Scaffolding (*scaffolding*)
Andrew McLaren, H&S Manager

RS Miller (roofing)
Rob Cooper, Commercial Manager

Whites Plumbing (*plumbing*)
Chris White, Commercial Director

Miller and Watson Carpentry (*carpentry*)
Adam Jones, Contracts Manager

DJ Brunell Brickwork (*brickwork*)
Dan Brunell, Managing Director

Clarkson Evans (*electrical*)
Diane Paul, Recruitment Manager

Stewarts (*plumbing*)
Paul Brown, Commercial Director

Roger Bullivants
Gareth Griffiths, Foundation Manager

Construction Sector Affiliated Organisations

Construction Youth Trust
Carol Lynch, Chief Executive Officer
Pearl O'Keeffe, Senior Programme Manager

Government

Education and Skills Funding Agency (ESFA)
Daniel Francies, Senior Manager,
Apprenticeship Sector Development Board

Appendix 2

Gatsby Benchmarks⁷⁷

The eight Gatsby Benchmarks are:

1 A stable careers programme

Every school and college should have an embedded programme of career education and guidance that is known and understood by pupils, parents, teachers and employers.

2 Learning from career and labour market information

Every pupil, and their parents, should have access to good-quality information about future study options and labour market opportunities. They will need the support of an informed adviser to make best use of available information.

3 Addressing the needs of each pupil

Pupils have different career guidance needs at different stages. Opportunities for advice and support need to be tailored to the needs of each pupil. A school's careers programme should embed equality and diversity considerations throughout.

4 Linking curriculum learning to careers

All teachers should link curriculum learning with careers. For example, STEM subject teachers should highlight the relevance of STEM subjects for a wide range of future career paths.

5 Encounters with employers and employees

Every pupil should have multiple opportunities to learn from employers about work, employment and the skills that are valued in the workplace. This can be through a range of enrichment activities including visiting speakers, mentoring and enterprise schemes.

6 Experiences of workplaces

Every pupil should have first-hand experiences of the workplace through work visits, work shadowing and/or work experience to help their exploration of career opportunities, and expand their networks.

7 Encounters with further and higher education

All pupils should understand the full range of learning opportunities that are available to them. This includes both academic and vocational routes and learning in schools, colleges, universities and in the workplace.

8 Personal guidance

Every pupil should have opportunities for guidance interviews with a careers adviser, who could be internal (a member of school staff) or external, provided they are trained to an appropriate level. These should be available whenever significant study or career choices are being made. They should be expected for all pupils but should be timed to meet their individual needs.

Appendix 3

QCF Levels: England, Wales and Northern Ireland⁷⁸

There are 9 qualification levels:

Entry level

Each entry level qualification is available at three sub-levels – 1, 2 and 3. Entry level 3 is the most difficult.

Entry level qualifications are:

- entry level award
- entry level certificate (ELC)
- entry level diploma
- entry level English for speakers of other languages (ESOL)
- entry level essential skills
- entry level functional skills Skills for Life

Level 1 – qualifications are:

- first certificate
- GCSE – grades 3, 2, 1 or grades D, E, F, G
- level 1 award
- level 1 certificate
- level 1 diploma
- level 1 ESOL
- level 1 essential skills
- level 1 functional skills
- level 1 national vocational qualification (NVQ)
- music grades 1, 2 and 3

Level 2 – qualifications are:

- CSE – grade 1
- GCSE – grades 9, 8, 7, 6, 5, 4 or grades A*, A, B, C
- intermediate apprenticeship
- level 2 award
- level 2 certificate
- level 2 diploma
- level 2 ESOL
- level 2 essential skills
- level 2 functional skills
- level 2 national certificate
- level 2 national diploma
- level 2 NVQ
- music grades 4 and 5
- O level – grade A, B or C

Level 3 – qualifications are:

- A level
- access to higher education diploma
- advanced apprenticeship
- applied general
- AS level
- international Baccalaureate diploma
- level 3 award
- level 3 certificate
- level 3 diploma
- level 3 ESOL

- level 3 national certificate
- level 3 national diploma
- level 3 NVQ
- music grades 6, 7 and 8
- tech level

Level 4 – qualifications are:

- certificate of higher education (CertHE)
- higher apprenticeship
- higher national certificate (HNC)
- level 4 award
- level 4 certificate
- level 4 diploma
- level 4 NVQ

Level 5 – qualifications are:

- diploma of higher education (DipHE)
- foundation degree
- higher national diploma (HND)
- level 5 award
- level 5 certificate
- level 5 diploma
- level 5 NVQ

Level 6 – qualifications are:

- degree apprenticeship
- degree with honours – for example bachelor of the arts (BA) honours, bachelor of science (BSc) honours
- graduate certificate
- graduate diploma
- level 6 award
- level 6 certificate
- level 6 diploma
- level 6 NVQ
- ordinary degree without honours

Level 7 – qualifications are:

- integrated master's degree, for example master of engineering (MEng)
- level 7 award
- level 7 certificate
- level 7 diploma
- level 7 NVQ
- master's degree, for example master of arts (MA), master of science (MSc)
- postgraduate certificate
- postgraduate certificate in education (PGCE)
- postgraduate diploma

Level 8 – qualifications are:

- doctorate, for example doctor of philosophy (PhD or DPhil)
- level 8 award
- level 8 certificate
- level 8 diploma

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